

CITY OF PALMER, ALASKA  
RESOLUTION NO. 140

A RESOLUTION ACCEPTING THE OFFER OF THE HOUSING AND HOME FINANCE AGENCY, COMMUNITY FACILITIES ADMINISTRATION, PUBLIC FACILITIES LOAN PROGRAM, DATED AUGUST 3, 1964.

THE CITY OF PALMER, ALASKA RESOLVES:

WHEREAS, there has been filed with the Government in behalf of the City of Palmer, Alaska, (herein called the Applicant) an application, Project No. PFL-Alaska-14, dated June 23, 1964 for Federal assistance under the Public Facility Loans Program, Public Law 345, 84th Congress, as amended, and the United States of America, acting by and through the Community Facilities Commissioner, has transmitted to the Applicant for acceptance an offer dated August 3, 1964, of Federal assistance in connection with the project referred to in said application and described in said offer, and

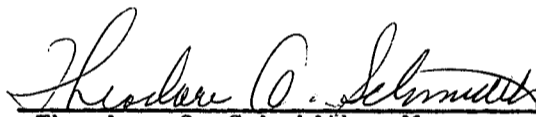
WHEREAS, said offer has been fully considered in accordance with all pertinent rules of procedure and legal requirements, and made a part of the applicant's public records; and

WHEREAS, it is deemed advisable and in the public interest that said offer be accepted;

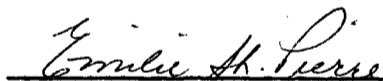
NOW, THEREFORE, the City of Palmer, Alaska, resolves that the said offer, a true and correct copy of which, including the special conditions, bond specifications and terms and conditions, is hereto attached, be, and the same hereby is, accepted without reservation or qualification.

Publication of this resolution shall be made by posting a copy hereof on the City Hall bulletin board at Palmer, Alaska, for a period of ten days following its passage and approval.


Passed and approved by the City Council for the City of Palmer, Alaska, this 11th day of August, 1964.

  
Theodore O. Schmidtke, Mayor

ATTEST:

  
Emilie St. Pierre, City Clerk

Approved as a valid acceptance of the above mentioned offer.

  
Burton C. Biss, City Attorney

HOUSING AND HOME FINANCE AGENCY  
COMMUNITY FACILITIES ADMINISTRATION

PUBLIC FACILITIES LOANS PROGRAM

Project No. PFL-Alaska-14  
Offer Date: August 3, 1964  
Contract No. H-602-2138

OFFER

Subject to the Terms and Conditions, Form CFA-720 dated 7-62, and Supplement One, Form CFA-720-1 dated 6-64, attached hereto as Exhibit "A", the Special Conditions attached hereto and made a part hereof as Exhibit "B", and the Bond Specifications attached hereto and made a part hereof as Exhibit "C", the Housing and Home Finance

Agency, hereinafter referred to as the Government, hereby offers to make a loan of not to exceed \$550,000 to

## CITY OF PALMER, ALASKA

(herein called the "Borrower"), in order to aid in financing the construction of essential public works or facilities presently estimated to cost \$750,000, consisting of construction of additional sewer facilities including collector lines, interceptor lines, sewage lagoon treatment facility and necessary appurtenances and purchase of two privately-owned existing sanitary sewer systems (herein called the "Project"): Provided, however, that the loan payable hereunder in no event shall exceed, in the aggregate, the actual cost of the Project upon completion as determined by the Government.

The loan herein provided for shall be made by purchase from the Borrower, at the the principal amount thereof plus accrued interest thereon, of its General Obligation Bonds in the aggregate principal amount of \$550,000, and bearing interest at the rate of 3-3/4% per annum, of such description and secured in such manner and containing such provisions as shall be satisfactory both to the Government and to the Borrower, but generally in conformity with the Bond Specifications attached hereto.

By acceptance hereof the Borrower agrees to offer its aforesaid obligations for public sale. The Government will submit its bid for the Bonds and such bid will be for all of the Bonds at their par value, plus accrued interest, at the rate of 3-3/4% per annum on all or any one or more of the above blocks of bonds. In the event any other bidder or bidders offer to purchase all of the Bonds at an interest cost of not more than 3-3/4% per annum, or any portion of the Bonds in blocks as specified at an interest cost of not more than 3-3/4% per annum, the Bonds or any such portion thereof will not be purchased by the Government. In the event of a sale of all of the Bonds to a purchaser or purchasers other than the Government, this Agreement shall terminate except with respect to obligations hereunder between the Borrower and the Government as of the date of such sale of the Bonds. In the event any of the Bonds are awarded to the Government, it is agreed that the obligations hereunder shall continue in the same manner as if all the Bonds were sold to the Government. In the event no bid is received from a bidder or bidders other than the Government within the terms herein specified, all the Bonds will be purchased by the Government.

By acceptance hereof, the Borrower agrees to reimburse the Government in the sum of \$5,700, from the first funds obtained by the Borrower for the construction of the Project, for the Government's field expense.

Upon acceptance, this Offer, together with the Terms and Conditions, the Special Conditions and the Bond Specifications referred to, shall become the "Loan Agreement".

This offer must be accepted within 60 days from the above date.

HOUSING AND HOME FINANCE AGENCY  
COMMUNITY FACILITIES ADMINISTRATION

By /s/ M. Perry Hobbs  
M. Perry Hobbs  
Acting Director for Northwest Operations

HOUSING AND HOME FINANCE AGENCY  
COMMUNITY FACILITIES ADMINISTRATION

CFA-720  
(7-62)

## TERMS AND CONDITIONS

Constituting Part of the Loan Agreement Providing for the Financing and Construction of Public Works or Facilities under Title II of the Housing Amendments of 1955 (Public Law 345, 84th Congress, as Amended)

Section 1. Definitions. As used in these Terms and Conditions:

- "Government" means the United States of America or the Housing and Home Finance Agency.
- "Project" means the Public Works or Facilities covered by the Loan Agreement.
- "Loan Agreement" means the contract between the Government and the Borrower covering the Project and includes both these Terms and Conditions and other contract instruments.
- "Borrower" means the public entity designated in the Loan Agreement.
- "Bonds" mean the obligations which the Government has agreed to purchase under the Loan Agreement.
- "Project Costs" means the cost of construction work for the Project, cost of necessary architectural/engineering services, legal, administrative and clerical costs, costs of land acquisition, necessary travel expenses, costs imposed by the Government to reimburse it for its field expenses, interest during construction, and other necessary miscellaneous expenses, all as determined by the Government.
- "Depository Bank" means a bank or trust company which is a member of the Federal Deposit Insurance Corporation.

Section 2. Prerequisites to Government's Obligations. The Government shall be under no obligation to advance funds or to purchase any Bonds under the Loan Agreement if:

- (a) Representations. Any representation made by the Borrower to the Government in connection with the application or loan, shall be incorrect or incomplete in any material respect, or the Government determines that the Borrower has failed to proceed promptly with Project financing or construction;
- (b) Financial Condition. The financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as heretofore represented to the Government;
- (c) Concurrence by Government. The Borrower, having submitted to the Government the documents mentioned in Section 13 hereof, shall have proceeded without having been advised by the Government that the same are satisfactory; it being the purpose of this provision to insure that no action will be taken in the development of the Project which would result in legal or contractual violation rendering it impossible for the Government to make the loan hereunder or for the parties to accomplish the objects of the Loan Agreement;
- (d) Prohibited Interests. If any official of the Borrower who is authorized in such capacity and on behalf of the Borrower to negotiate, make, accept or approve, or to take any part in negotiating, making, accepting, or approving any architectural, engineering, inspection, construction, materials, supply, or equipment contract or any subcontract in connection with the construction of the Project, shall become directly or indirectly interested personally in any such contract or subcontract, or if any official, employee, architect, attorney, engineer or inspector of or for the Borrower who is authorized in such capacity and on behalf of the Borrower to exercise any legislative, executive, supervisory or other functions in connection with the construction of the Project, shall become directly or indirectly interested personally in any construction, materials, supply, equipment or insurance contract, in any subcontract or any other contract pertaining to the Project.

Section 3. Purchase of Bonds. The Borrower shall initiate and prosecute to completion all proceedings necessary to the authorization, issuance, and sale of the Bonds and to the security thereof. When the said proceedings have been completed to the point of but not including the delivery of the Bonds to the Government, the Borrower may file a requisition requesting the Government to purchase the Bonds. The requisition shall be supported by such data as the Government shall require to determine whether the Government is obligated under the provisions of the applicable Loan Agreement to honor such requisition. If the Government is so obligated, it will purchase the Bonds covered by such requisition, within the limitations, however, specified in the Loan Agreement.

Section 4. Legal Matters. The Borrower shall furnish the Government a transcript of proceedings for the authorization, issuance, sale and security of the Bonds evidencing that the Bonds, when delivered and paid for, will constitute binding and legal obligations, payable and secured in accordance with their tenor, and that all proceedings for the financing and the acquisition, construction and development of the Project preliminary to the delivery of the Bonds to the Government have been had and adopted in due time, form, and manner as required by law.

Section 5. Security. The Borrower shall include in the proceedings for the authorization, issuance, sale and security of the Bonds, provisions for the payment of the principal of and interest on the Bonds and for the security thereof of the nature required to assure such payment and to safeguard the loan hereunder, including, in case the Bonds are payable in whole or in part from any special sources of revenues, provisions designed to assure the production of such revenues and the application thereof to the extent required for the payment and security of the Bonds and interest thereon, including the maintenance of reasonable reserves.

Section 6. Opinion of Bond Counsel. Simultaneously with the delivery of any of the Bonds to the Government, the Borrower shall furnish to the Government the approving opinion of bond counsel who shall be satisfactory to the Government, and covering generally all of the Bonds and, specifically and unqualifiedly, the Bonds then being delivered to the Government.

Section 7. Construction Financing. The Borrower shall make every effort to obtain interim financing from private sources. Prior to entering into formal agreements for such financing, the Borrower shall furnish the Government with (1) a satisfactory preliminary opinion of bond counsel; (2) evidence of its ability to finance on reasonable terms the cost of the Project up to the time the Bonds are ready for delivery; and (3) evidence of the receipt of firm bids establishing that the Project can be constructed within the approved estimated cost thereof.

In the event any loan under temporary financing shall become due prior to the time when the Bonds are ready for delivery, the Borrower may apply to and, provided that the Borrower is in compliance with the Terms and Conditions of this Loan Agreement, receive from the Government an advance against the Bonds in an amount sufficient to liquidate such temporary loan.

Should the Borrower be able to demonstrate to the Government's satisfaction that interim financing on reasonable terms is not available, the Government will consider requests for advances in anticipation of the issuance of the Bonds. Requisitions for construction advances shall be accompanied by such supporting data as the Government may require. The Government will honor such requisitions in amounts and at times deemed by it to be proper.

Any funds made available to the Borrower by the Government pursuant to this Section shall be repaid in full from the first proceeds derived from the sale of the Bonds, and shall bear interest at the rate specified for the bonds in the Loan Agreement from the date made available to the date of repayment.

Section 8. Prerequisites to Loan Disbursements. Prior to the Government disbursing any portion of the loan proceeds, the Borrower shall present satisfactory evidence that:

- (a) It has obtained, or can obtain, all land, rights-of-way, easements, permits, franchises, Federal, State, County, and Municipal approvals required in connection with the construction and operation of the Project, including approval of the final plans and specifications by the appropriate State authorities;
- (b) It has adopted a Bond Ordinance or Resolution, satisfactory in form and substance to the Government, and has obtained a preliminary approving opinion of bond counsel;
- (c) It has adopted an Ordinance or Resolution, satisfactory in form and substance to the Government, levying taxes or assessments, or establishing rates, charges, rules, and regulations relating to the services to be rendered by the Project, including provision for no free service;
- (d) It has deposited in the Construction Account such funds in addition to the loan proceeds as are necessary to construct the Project, and that the Project can be completed at a total cost satisfactory to the Government and within the amount of funds available therefor.

Section 9. Construction Account. The Borrower shall set up in a Depository Bank, or with the fiscal agency of the Borrower fixed by law, a separate account or



## RESOLUTION NO. 140 (Cont'd)

a penal sum not less than that prescribed by State, Territorial, or local law, as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law.

Section 17, Insurance During Construction. The Borrower shall require that each of its construction contractors and his subcontractors shall maintain during the life of his contract Workmen's Compensation Insurance and Public Liability and Property Damage Insurance in amounts and on terms satisfactory to the Government. The Borrower shall maintain or require that each of its construction contractors shall maintain during the life of his contract Builder's Risk Insurance in amounts and on terms satisfactory to the Government.

Section 18. Wage Rates. The Borrower shall require all of its contractors engaged in work on the Project to comply with any applicable State law governing the payment of minimum rates of pay to workmen, including apprentices, employed on the Project. In the absence of any such State law, the Borrower shall compile, and submit to the Government for its approval, a list of prevailing rates of pay for all laborers and mechanics to be employed on the construction of the Project (which list shall be based upon the wage rates prevailing for the same classes of laborers and mechanics employed in construction activities, similar in character to the Project in the area in which the Project is to be constructed). Upon obtaining the Government's approval of any such proposed minimum wage rates, the Borrower will include such list in all contracts calling for work on the Project and require adherence thereto. The Borrower shall also require of its contractors that all such lists shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for non-manual workers, including executive, supervisory, administrative and clerical employees.

Section 19. Payment of Employees. The Borrower shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 20. Wage Underpayments and Adjustments. The borrower shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Borrower may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such workers for the total number of hours worked and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 21. Anti-Kickback Statute. The so-called Anti-Kickback Statute, Public Law No. 324, 73rd Congress, approved June 13, 1934 (48 Stat. 1948 as amended), and the regulations issued pursuant thereto, are a part of the Loan Agreement, and the Borrower shall comply, and require each of its contractors employed in the construction, prosecution, or completion of the Project to comply therewith, and to cause his subcontractors to do likewise.

Section 22. Accident Prevention. The Borrower shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions be guarded against or eliminated.

Section 23. Supervision and Inspection. The Borrower shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 24. Nondiscrimination. The borrower shall require that there shall be no discrimination against any employee who is employed in carrying out the Project, or against any applicant for such employment, because of race, religion, color or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Borrower shall insert the foregoing provision of this Section in all its contracts for Project work and will require all of its contractors for such work to insert a similar provision in all sub-contracts for Project work; Provided, that the foregoing provision of this Section

shall not apply to contracts or subcontracts for standard commercial supplies or raw materials. The Borrower shall post at the Project, in conspicuous places available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause.

Section 25. Payments to Contractors. Not later than the fifteenth day of each calendar month the Borrower shall make a partial payment to each construction contractor on the basis of a duly certified and approved estimate of the work performed during the preceding calendar month by the particular contractor, but shall retain until final completion and acceptance of all work covered by the particular contract a reasonable amount, specified in the contract, sufficient to insure the proper performance of the contract.

Section 26. Audit and Inspection. The Borrower shall require of its contractors that the Government's authorized representatives be permitted, and it will itself permit them to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project; and shall permit the Government's authorized representatives to audit the books, records, and accounts of the Borrower appertaining to the loan and the development of the Project.

Section 27. Government Field Expense. The Government will bill the Borrower for payment of the fee specified in the Loan Agreement to cover audit and inspection costs and payment will be due from the first funds deposited in the Construction Account. In the event of termination of the Loan Agreement through the sale of all of the Bonds to private purchasers, the Borrower shall be entitled to a refund of all of a proportionate part of the fee. The refund shall be in such an amount as the Government determines to be equitable under the circumstances.

Section 28. Signs. The Borrower shall cause to be erected at the site of the Project, and maintained during construction, signs satisfactory to the Government identifying the Project and indicating the fact that the Government is participating in the development of the Project.

Section 29. Retention of Title. So long as the Government holds any of the Bonds, the Borrower shall not dispose of its title to the Project or to any useful part thereof, including any facility necessary to the operation and use of the Project and the lands and interests in lands comprising the site of the Project.

Section 30. Insurance on Completed Project.

(a) Fire and Extended Coverage. If the Project (or other facilities the revenues of which are pledged) includes structures above ground level, upon acceptance of the Project from the contractor, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage insurance on the insurable portions of the Project, and upon receipt of funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure Fire and Extended Coverage Insurance on the insurable portion of any other of its facilities, the revenues of which are pledged to the security of the loan hereunder. The foregoing Fire and Extended Coverage Insurance shall be maintained so long as any of the Bonds are outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed 80 per centum (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any of said facility or facilities, the Borrower shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof.

Where a Trustee is to be or has been designated in connection with the bond issue, each such insurance policy shall be acceptable to the Trustee and shall contain a clause making all losses payable to the Trustee as its interest may appear.

(b) Liability Insurance on Facilities. Upon receipt of any funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Public Liability Insurance relating to the operation of the Project facilities with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death; and not less than \$50,000, in the case of gas distribution facilities, and not less than \$10,000 in the case of

other types of facilities, from claims for damage to property of others which may arise from the Borrower's operations of the Project or any other facilities the revenues of which are pledged.

(c) Vehicle Liability Insurance. If the Borrower owns or operates a vehicle in the operation of the Project, upon receipt of any funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Vehicular Public Liability Insurance with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death, and not less than \$10,000 against claims for damage to property of others which may arise from the Borrower's operations of vehicles.

Section 31. Operation of Project. The Borrower covenants that it will operate and maintain the Project or provide for the operation and maintenance thereof, to serve the objects and purposes for which the loan has been made available under the Federal law and the terms of the Loan Agreement.

Section 32. Surety. The Borrower covenants that each of its officials or employees having custody of Project funds during acquisition, construction, development, and operation of the Project, shall be bonded at all times in an amount at least equal to the total funds in his custody at any one time.

Section 33. Proper Records and Books. The Borrower covenants that it will keep accurate financial records and proper books relating to the operation of the Project and other facilities the revenues of which are pledged to secure the Bonds, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. The Borrower further covenants that not later than 90 days after the end of each fiscal year, it will furnish to any Bondholder who shall request same in writing, copies of audit reports prepared by an independent public accountant, reflecting in reasonable detail the financial condition and record of operation of the Borrower, the Project, and other pledged facilities.

Section 34. Periodic Operating Statements. So long as the Government holds any of the Bonds, the Borrower shall furnish operating statements for the Project, and any facilities the revenues of which are pledged to payment of the Bonds, in such form and substance for such periods as may be requested by the Government.

Section 35. Designation of Depository and Paying Agent. The Borrower agrees to obtain the Government's concurrence in the selection of the Paying Agent and Depository Bank, in which funds and accounts are to be established and maintained pursuant to the Loan Agreement, prior to the designation by the Borrower of such Paying Agent and Depository Bank.

Section 36. Investment of Funds. Moneys on deposit to the credit of accounts and funds established and maintained in conformity with the provisions of the Loan Agreement shall be invested by the Depository Bank, upon request by the Borrower, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government. Where the Borrower is required to maintain fixed amounts in such accounts and funds, the investments shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 37. Bond Redemption. So long as the Government holds any of the Bonds, it will waive the non-callable provisions, redemption premiums, and publication of notice of call applicable thereto.

Section 38. Interest of Third Parties. The Loan Agreement is not for the benefit of third parties, including the holders from time to time of any of the Bonds, and the Government shall be under no obligation to any such parties, whether or not indirectly interested in said Agreement, to pay any charges or expenses incident to compliance by the Borrower with any of its duties or obligations thereunder.

Section 39. Interest of Members of or Delegates to Congress. No members of or delegate to the Congress of the United States shall be admitted to any share or part of this Loan Agreement or to any benefit arising therefrom.



Section 40. Bonus or Commission. By execution of the Loan Agreement the Borrower represents that it has not paid and, also, agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the loan hereunder.

Section 41. State or Territorial Law. Anything in the Loan Agreement to the contrary notwithstanding, nothing in the Loan Agreement shall require the Borrower to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable State or territorial law: Provided, that if any of the provisions of the Loan Agreement violate any applicable State or territorial law, or if compliance with the provisions of the Loan Agreement would require the Borrower to violate any applicable State or Territorial law, the Borrower will at once notify the Government in writing in order that appropriate changes and modifications may be made by the Government and the Borrower to the end that the Borrower may proceed as soon as possible with the construction of the Project.

Section 42. Termination Rights. Prior to disbursement of any Government loan moneys under the Loan Agreement, the Borrower shall have the right to terminate such Agreement effective thirty days after giving notice of termination to the Government, and upon reimbursement by Borrower of any Government field expenses which have been incurred.

The Government shall have the right to terminate the Loan Agreement, effective upon thirty days notice thereof to the Borrower, whenever the Government determines that the Borrower has failed to proceed promptly with the construction and financing of the Project.

CFA-720-1  
(6-64)

HOUSING AND HOME FINANCE AGENCY  
COMMUNITY FACILITIES ADMINISTRATION

PUBLIC FACILITY LOAN PROGRAM

TERMS AND CONDITIONS - SUPPLEMENT ONE

The Terms and Conditions, Form CFA-720 (7-62) are hereby modified as follows:

Section 9 is hereby revised to read as follows:

Section 9. Construction Account.

The Borrower shall set up in a Depository Bank, or with the fiscal agency of the Borrower fixed by law, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited any temporary loans, Government advances, and proceeds from the sale of the Bonds (except accrued interest payments) and the additional funds, if any, required by the provisions of the Loan Agreement to be furnished by the Borrower in order to assure the payment of all Project Costs. Moneys in the Construction Account shall be expended only for such purposes as shall have been previously specified in the project cost estimates approved by the Government.

Moneys in the Construction Account shall be secured by the Depository Bank in the manner prescribed by statutes relating to the securing of public funds. Where the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Borrower may direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than 18 months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Account by the Borrower.

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Any moneys remaining in the Construction Account after all costs of the Project have been paid shall be promptly used to the extent possible for the redemption of Bonds, and any residue shall be deposited in the account established for the payment of the principal and interest of the Bonds. Provided, however, the Borrower shall have the right to withdraw any such moneys representing additional funds deposited into the Construction Account pursuant to Section 10 hereto, to finance the total project cost, which are found to be unnecessary for such purpose.

Section 17 is hereby revised to read as follows:

Section 17. Insurance During Construction.

The Borrower shall require that each of its contractors and all sub-contractors shall maintain, during the life of his contract, Workmen's Compensation Insurance, Public Liability and Property Damage, and Vehicle Liability Insurance, in amounts and on terms satisfactory to the Government. Until the project is completed and accepted by the Borrower the Borrower is required to maintain Builders' Risk Insurance (fire and extended coverage) on a 100 percent basis (completed value form) on the insurable portion of the project for the benefit of the Borrower, the prime contractor, and all subcontractors, as their interests may appear.

Section 24 is hereby revised to read as follows:

Section 24. Equal Employment Opportunity

- (a) The Borrower hereby agrees that it will incorporate or cause to be incorporated into any non-exempt contract for construction work, or modification thereof, as defined in the rules and regulations of the President's Committee on Equal Employment Opportunity, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color or national origin. Such action shall include, but not be limited, to the following employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Housing and Home Finance Agency setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Housing and Home Finance Agency, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby, and the related rules and regulations of the Housing and Home Finance Agency.
- (5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, by the rules, regulations, and orders of the said Committee, and by the Housing and Home Finance Agency pursuant thereto, and will permit access to his books, records and accounts by the Housing and Home Finance Agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts and Federally assisted construction contracts, in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended by Executive Order No. 11114 of June 22, 1963, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Orders or by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.
- (7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Housing and Home Finance Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Housing and Home Finance Agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."
- (b) The Borrower further agrees that it will be bound by the above equal opportunity clause in any Federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.
- (c) The Borrower agrees that it will cooperate actively with the Housing and Home Finance Agency and the President's Committee on equal Employment Opportunity in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Committee, that it will furnish the Housing and Home Finance Agency and the Committee such information as they may require for the supervision of such compliance, and that it will otherwise assist the Housing and Home Finance Agency in the discharge of the Agency's primary responsibility for securing compliance.
- (d) The Borrower further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11114 with a contractor debarred from, or who has not demonstrated eligibility for Government contracts and Federally assisted construction contracts pursuant to Part III, Subpart D of Executive Order 10925 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Housing and Home Finance Agency or the Committee pursuant to PART III, Subpart D of Executive Order 10925.

- (e) In addition, the Borrower agrees, that if it fails or refuses to comply with these undertakings the Housing and Home Finance Agency may cancel, terminate or suspend in whole or in part this grant (contract, loan, insurance, guarantee), may refrain from extending any further assistance under any of its programs subject to Executive Order 11114 until satisfactory assurance of future compliance has been received from such applicant, or may refer the case to the Department of Justice for appropriate legal proceedings.

Section 30 is hereby revised to read as follows:

Section 30. Insurance on Completed Project.

- (c) Vehicle Liability Insurance. If the Borrower owns or operates a vehicle in the operation of the Project, including any non-owned vehicles operated for the benefit of the Borrower, upon receipt of any funds acquired pursuant to the Loan Agreement, the Borrower shall, if such insurance is not already in force, procure and maintain, so long as any of the Bonds are outstanding, Vehicular Public Liability Insurance with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the Borrower from claims for bodily injury and/or death, and not less than \$10,000 against claims for damage to property of others which may arise from the Borrower's operations of vehicles.

EXHIBIT "B"

PFL-Alaska-14

SPECIAL CONDITIONS

- (A) The Borrower covenants that in each year, commencing with the year 1965, it will:
- (1) Levy, or cause to be levied, for the Bonds an ad valorem tax on all taxable property located within its corporate limits which, if collected at the percentage rate of current collections on the then next preceding levy, would provide revenues therefrom equal to not less than the principal and/or interest on the Bonds to become due in the next succeeding twelve months, or
  - (2) remit to the depository for the 1964 General Obligation Bond and Interest Sinking Fund Account hereinafter provided for, from funds legally available to the Borrower for the payment of principal and interest on the Bonds, on or before the finalization of the Borrower's levy for such year, a sum equal to 110% of the principal and/or interest on the Bonds to become due in the next succeeding twelve months until the funds and/or investments in the 1964 General Obligation Bond and Interest Sinking Fund Account are sufficient to pay all principal and Interest on the bonds thereafter to become due and payable.
- Anything herein to the contrary notwithstanding, the Borrower covenants to levy and collect ad valorem taxes on all taxable property within its corporate limits at such times, and at not less than such rates and amounts, as may be necessary to provide sufficient funds for the payment of principal and interest on the Bonds as the same become due and payable.
- (B) The Borrower shall establish with the paying agent for the Bonds, and maintain so long as any of the Bonds are outstanding, a separate account to be designated "1964 General Obligation Bond and Interest Sinking Fund Account" into which shall be deposited (1) all accrued interest received from the sale of the Bonds, (2) an additional sum, from the proceeds from the sale of the Bonds, equal to the interest on the Bonds to accrue from the date of delivery thereof to December 1, 1965, as and for capitalized interest on the Bonds during Project construction and development and (3) all funds provided for the payment of principal and interest on the Bonds in accordance with Special Condition (A).
  - (C) This contract may be subject to rules, regulations, instructions and procedures to be issued pursuant to Title VI of the Civil Rights Act of 1964 approved by the President on July 2, 1964.
  - (D) The Terms and Conditions (CFA-720, 7-62 and Supplement One CFA-720-1,6-64)

constituting a part of this Loan Agreement, are hereby modified as follows:

- (1) Clause (b) of Section 8. Prerequisites to Loan Disbursement. is modified to the extent necessary to permit advances against loan proceeds prior to Borrower's adoption of the requisite bond ordinances or resolutions.

Clause (c) thereof is modified to the extent necessary to permit advances against loan proceeds prior to the adoption of an ordinance or resolution levying taxes for the bonds.

Clause (d) thereof is modified to the extent necessary to permit deposit of the proceeds from grants-in-aid of construction under Public Law 660 - 84th Congress into the Construction Account as received.

- (2) Section 9. Construction Account. is modified by the insertion of "and any proceeds from the sale of the Bonds required by the Loan Agreement to be deposited into the account established for the payment of the principal and interest of the Bonds as and for capitalized interest" after "payments" in the parenthetical expression in the fifth line of the first paragraph.

EXHIBIT "C"

PFL-Alaska-14

GENERAL OBLIGATION BONDS

Aggregate Principal Amount of General Obligations Bonds: \$550,000  
Designation: City of Palmer General Obligation Bond, Series 1964

Type: Negotiable serial, coupon bonds

Security: General obligations of the Borrower, payable as to both principal and interest from ad valorem taxes to be levied on all taxable property within the corporate limits of the Borrower, without limitation as to time, rate or amount, or from any other funds legally available to the Borrower for such payments.

Date: July 1, 1964 Interest Rate: 3-3/4% Bond Numbers: 1 upwards  
Denomination: \$1,000 or \$5,000, at the option of the purchaser

Interest Payment Dates: First payment December 1, 1964, and semi-annually thereafter on June 1 and December 1 of each year.

Maturities as of June 1, in years and amounts as follows:

| Years   | Amounts  | Years   | Amounts  |
|---------|----------|---------|----------|
| 1966-69 | \$10,000 | 1986-91 | \$25,000 |
| 1970-79 | 15,000   | 1992-94 | 30,000   |
| 1980-85 | 20,000   |         |          |

Place of Payment: At the principal office of a bank or trust company which is a member of the Federal Deposit Insurance Corporation, or at the option of the holder, at a bank or trust company in the Borough of Manhattan, City and State of New York.

Registration Privileges: Principal only

Redemption Provisions: Bonds maturing June 1, 1966 through June 1, 1974 inclusive, to be non-callable. Bonds maturing June 1, 1975 through June 1, 1989, inclusive, to be callable at the option of the Borrower prior to the stated maturities thereof, in whole or in part and in inverse numerical order on any interest payment date after June 1, 1974 upon at least thirty days' prior notice at the principal amount thereof,

plus accrued interest to the date of redemption and a premium for each bond as follows:

- 3% if redeemed December 1, 1974 through June 1, 1979, inclusive;
- 2% if redeemed December 1, 1979 through June 1, 1984, inclusive;
- 1% if redeemed after June 1, 1984.

Bonds maturing June 1, 1990 through June 1, 1994 inclusive, to be callable at the option of the Borrower in whole or in part and in inverse numerical order on any interest payment date during the entire life of the loan, upon at least thirty days' prior notice, at par plus accrued interest to the date of redemption.

Priority as to call shall extend to bonds maturing June 1, 1990 through June 1, 1994 inclusive over bonds maturing June 1, 1975 through June 1, 1989 inclusive.

Blocks of maturities for which bids will be accepted:

- (1) All maturities in the years 1966 to 1974, inclusive;
- (2) all maturities in the years 1975 to 1979, inclusive;
- (3) all maturities in the years 1980 to 1984, inclusive;
- (4) all maturities in the years 1985 to 1989, inclusive;
- (5) all maturities in the years 1990 to 1994, inclusive; and
- (6) the entire issue.

Sale of Bonds: In the event the Government is awarded all or part of the Bonds, the Borrower, at the option of the purchaser(s) shall issue single bonds with face values in the amount of the respective purchases in lieu of individual denomination Bonds. Such single Bonds shall be registered as to principal and interest and payable as directed by the purchasers, but otherwise complying with the description set forth hereinbefore. The Borrower shall covenant that, upon request of the holder of a single Bond, it shall issue, at its own expense and within 90 days from the date of such request, negotiable bearer coupon bonds in denominations of \$1,000 or multiples thereof, as described hereinbefore, in aggregate amount equal to the amount of the single Bond still outstanding. The printing of text of single Bonds shall be of type composition on paper of sufficient weight and strength to prevent deterioration throughout the life of the loan. The Bonds shall conform in size to standard practice and contain the approved maturity schedule for payment of principal.

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