

NORTHWEST ARCTIC BOROUGH

RESOLUTION 20-14

A RESOLUTION AUTHORIZING THE NORTHWEST ARCTIC BOROUGH TO ISSUE GENERAL OBLIGATION REFUNDING BONDS IN THE PRINCIPAL AMOUNT NOT TO EXCEED THE SUM OF \$2,100,000 TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE BOROUGH, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE.

WHEREAS, the Northwest Arctic Borough, Alaska (the “Borough”) is a home rule borough and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the Borough, and it has been determined that the matters set forth in this resolution are not prohibited by law or the charter; and

WHEREAS, there is now outstanding the General Obligation School Bond, 2010 Series A (Tax Exempt) of the Borough maturing on March 1, 2021, with a remaining principal amount of \$165,000 (the “2010 Series A Bond”), issued under Resolution 10-07 of the Borough; and

WHEREAS, there is now outstanding the General Obligation School Bond, 2010 Series B (Taxable Build America Bond) of the Borough maturing on March 1 in the years 2022 through 2026 in the aggregate principal amount of \$908,000 (the “2010 Series B Bond”), issued under Resolution 10-07 of the Borough; and

WHEREAS, there are now outstanding the General Obligation School Bond, 2010 Series C (Taxable Recovery Zone Economic Development Bond) of the Borough maturing on December 1 in the years 2026 through 2030 in the aggregate principal amount of \$887,000 (the “2010 Series C Bond”, and together with the 2010 Series A Bond and the 2010 Series B Bond, the “2010 Bonds”), issued under Resolution 10-07 of the Borough; and

WHEREAS, the Assembly finds that it is in the best interest of the Borough to provide for the refunding, including the payment of principal of, and premium and interest on, those Series of the 2010 Bonds (the “Refunded Bonds”) whose refunding the Mayor or the Mayor *pro tempore* determines will produce the percentage debt service savings specified in this resolution, by the issuance of general obligation refunding bonds (the “Bonds”) in the aggregate principal amount of not to exceed \$2,100,000; and

WHEREAS, Article IX, Section 11 of the Alaska Constitution and Section 29.47.320 of the Alaska Statutes provide that general obligation refunding

bonds may be issued without an election, Section 29.47.300 of the Alaska Statutes provides that their issuance may be authorized by resolution, and Section 29.47.410 of the Alaska Statutes provides that the Assembly by resolution may provide for the form and manner of sale of bonds and notes; and

WHEREAS, the Alaska Municipal Bond Bank and the Borough intend to enter into an Amendatory Loan Agreement, which amends the Loan Agreement dated as of March 1, 2010, between the Alaska Municipal Bond Bank and the Borough, to provide for the refunding of the Refunded Bonds through their exchange for the Bonds, and related matters; and

WHEREAS, the Assembly finds that it is necessary and appropriate to delegate to the Mayor and the Mayor *pro tempore* authority to determine the maturity amounts, interest rates and other details of the Bonds, and to determine other matters that are not provided for in this resolution;

NOW, THEREFORE, BE IT RESOLVED:

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

A. “Assembly” means the Assembly of the Northwest Arctic Borough, as the general legislative authority of the Northwest Arctic Borough, as the same shall be duly and regularly constituted from time to time.

B. “Amendatory Loan Agreement” means the Amendatory Loan Agreement between the Borough and the Bond Bank, amending the 2010 Loan Agreement, to provide for the refunding of the Refunded Bonds through their exchange for the Bonds, and related matters.

C. “Bond” or “Bonds” means any of the “General Obligation Refunding Bonds” of the Northwest Arctic Borough, the issuance and sale of which are authorized herein.

D. “Bond Bank” means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.

E. “Bond Bank Bonds” means general obligation bonds issued by the Bond Bank to refund all or part of its outstanding General Obligation Bonds, 2010A Series One and General Obligation Bonds, 2010B Series One.

F. “Bond Register” means the registration books maintained by the Registrar, which include the names and addresses of the Registered Owners of the Bonds or their nominees.

G. “Borough” means the Northwest Arctic Borough, a municipal corporation of the State of Alaska, organized as a home rule borough under Title 29 of the Alaska Statutes.

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

I. “Government Obligations” means obligations that are either (i) direct obligations of the United States of America, or (ii) obligations of an agency or instrumentality of the United States of America the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America

J. “Loan Agreement” means the 2010 Loan Agreement, as amended by the Amendatory Loan Agreement.

K. “Refunded Bonds” means the Series of the 2010 Bonds whose refunding is approved by the Mayor or Mayor *pro tempore* under Section 12.

L. “Registered Owner” means the person named as the registered owner of a Bond in the Bond Register.

M. “Registrar” means the Borough Treasurer, or any successor that the Borough may appoint by resolution.

N. “Resolution” means this Resolution 20-14 of the Borough.

O. “2010 Loan Agreement” means the Loan Agreement dated as of March 1, 2010 between the Bond Bank and the Borough.

Section 2. Authorization of Bonds and Purpose of Issuance. For the purpose of effecting the refunding by exchange of the Refunded Bonds in the manner set forth in this Resolution and the Amendatory Loan Agreement, and to pay all costs incidental thereto and to the issuance of the Bonds, the Borough hereby authorizes and determines to issue and sell the Bonds in the aggregate principal amount of not to exceed \$2,100,000.

Section 3. Obligation of Bonds. The Bonds shall be direct and general obligations of the Borough and the full faith and credit of the Borough are hereby pledged to the payment of the principal of and interest on the Bonds. The Borough hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the Borough 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. Designation, Maturities, Interest Rates, and Other Details of Bonds. The Bonds shall be designated “Northwest Arctic Borough, Alaska, General Obligation Refunding Bonds.” The Bonds shall be in the denomination of \$5,000 or any integral multiple thereof, shall be numbered separately in the manner and with such additional designation as the Registrar deems necessary for purposes of identification, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

The Bonds shall mature in one or more years commencing no earlier than 2021 and ending no later than 2030. The Bonds shall bear interest from their date, payable commencing on or after July 1, 2020, and semiannually thereafter. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Subject to Section 2 and the remainder of this section, the aggregate principal amount, the principal amount of each maturity, the interest rates, the dated date, the principal and interest payment dates and the record dates for principal and interest payments on the Bonds shall be determined at the time of execution of the Amendatory Loan Agreement under Section 16.

Section 5. Optional Redemption. The Bonds shall not be subject to optional redemption by the Borough prior to maturity.

Section 6. Form of Bond. Each Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Resolution:

UNITED STATES OF AMERICA
STATE OF ALASKA

NORTHWEST ARCTIC BOROUGH
(A Municipal Corporation of the State of Alaska)

NO. _____ \$ _____

GENERAL OBLIGATION REFUNDING BOND, 2020 SERIES __

Registered Owner

Principal Amount DOLLARS

The Northwest Arctic Borough (the "Borough"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the principal amount shown above in the following installments on _____ 1 of each of the following years, and to pay interest on such installments from the date hereof, payable on _____ 1, 2020 and semiannually thereafter on the ___ days of _____ and _____ of each year, at the rates per annum as follows:

<u>ear</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>ear</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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When this Bond is owned by the Alaska Municipal Bond Bank (the "Bond Bank"), payment of principal and interest shall be made as provided in the Loan Agreement between the Bond Bank and the Borough dated as of March 1, 2010, as amended. When this Bond is not owned by the Bond Bank, installments of principal and interest on this Bond shall be paid by check or draft mailed by first class mail to the Registered Owner as of the close of business on the 15th day of the month preceding each installment payment date; provided that the final installment of principal and interest on this Bond shall be payable upon presentation and surrender of this Bond by the Registered Owner at the office of the Registrar. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on this Bond are 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.

This Bond is one of the General Obligation Refunding Bonds, 2020 Series __ of the Northwest Arctic Borough, Alaska, of like tenor and effect except as to interest rate,

serial number and maturity, aggregating \$ _____ in principal amount, and constituting Bonds authorized for the purpose of refunding certain general obligation bonds issued by the Borough, and is issued under Resolution 20-14 of the Borough entitled:

A RESOLUTION AUTHORIZING THE NORTHWEST ARCTIC BOROUGH TO ISSUE GENERAL OBLIGATION REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,100,000 TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE BOROUGH, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE.

(the "Resolution").

Installments of principal of this Bond shall not be subject to prepayment at the option of the Borough prior to maturity.

This Bond is transferable as provided in the Resolution, (i) only upon the bond register of the Borough, 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 principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution and upon the payment of charges, if any, as therein prescribed. The Borough 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 redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a general obligation of the Northwest Arctic Borough and the full faith and credit of the Borough are pledged for the payment of the principal of and interest on this Bond as the same shall become due.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts or things required by the constitution or statutes of the State of Alaska and the home rule charter of the Borough 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 Borough, is within every debt and other limit prescribed by said constitution, statutes or charter.

IN WITNESS WHEREOF, THE NORTHWEST ARCTIC BOROUGH, ALASKA, has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its corporate seal (or a facsimile thereof) to be

impressed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the ____ day of _____ 2020.

Mayor

A T T E S T:

Clerk

[S E A L]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address, zip code and Social Security number or other tax identification number of Transferee)

this Bond and irrevocably constitutes and appoints _____ attorney to transfer this Bond on the Bond Register, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of this Bond.

Section 7. Execution. The Bonds shall be executed in the name of the Borough by the manual or facsimile signature of the Mayor or Mayor *pro tempore*, and its corporate seal (or a facsimile thereof) shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the Borough Clerk. The execution of a Bond on behalf of the Borough by persons who 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 8. Payment of Principal and Interest. The Bonds shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. When the Bond Bank is the Registered Owner of the Bonds, payment of principal and interest on the Bonds shall be made as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the Bonds, installments of principal and interest on the Bonds shall be paid by check mailed by first class mail to the Registered Owner as of the record date for the installment payment at the address appearing on the Bond Register; provided that the final installment of principal and interest on a Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner at the office of the Registrar.

Section 9. Registration. The Bonds shall be issued only in registered form as to both principal and interest. The Borough designates the Borough Treasurer as Registrar for the Bonds. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the Borough. The Borough 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. The Borough and the Registrar may treat the person in whose name any Bond shall be registered as the absolute owner of such Bond for all purposes, whether or not the Bond shall be overdue, and all payments of principal of and interest on a Bond made to the Registered Owner thereof or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Borough nor the Registrar shall be affected by any notice to the contrary.

Section 10. Transfer and Exchange. Bonds shall be transferred only upon the books for the registration and transfer of Bonds kept at the office of the Registrar. Upon surrender for transfer or exchange of any Bond at such office, 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 the duly authorized attorney of the Registered Owner, the Borough shall execute and deliver an equal aggregate principal amount of Bonds of the same maturity of any authorized denominations, subject to such reasonable regulations as the Borough 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.

Section 11. Bonds Mutilated, Destroyed, Stolen or Lost. Upon surrender to the Registrar of a mutilated Bond, the Borough shall execute and deliver a new Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the Borough that a Bond has been destroyed, stolen or lost and of the ownership thereof, and upon furnishing the Borough with indemnity satisfactory to it, the Borough shall execute and deliver a new Bond of like maturity and principal

amount. The person requesting the execution and delivery of a new Bond under this section shall comply with such other reasonable regulations as the Borough may prescribe and pay such expenses as the Borough may incur in connection therewith.

Section 12. Designation of Refunded Bonds. The Mayor and the Mayor *pro tempore* each is authorized to designate which, if any, Series of the 2010 Bonds authorized to be refunded in this Resolution shall be refunded, provided that the refunding of the 2010 Bonds so designated shall realize a debt service savings in the aggregate of at least three percent of their principal amount, net of all issuance costs and underwriting discount, on a present value basis.

Section 13. Tax Covenants. The Borough 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. Without limiting the generality of the foregoing, the Borough covenants that it will make no use or investment of the proceeds of the Bonds that will cause the Bonds to be “arbitrage bonds” subject to federal income taxation by reason of section 148 of the Code, and 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 14. Amendatory and Supplemental Resolutions.

A. The Assembly 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:

1. To add to the covenants and agreements of the Borough 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 Borough.

2. 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 Assembly may deem necessary or desirable and not inconsistent with this Resolution and which shall not adversely affect the interests of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Registered Owner of any of the Bonds at any time outstanding, notwithstanding any of the provisions of subsection B of this section.

B. With the consent of the Registered Owners of not less than 60 percent in aggregate principal amount of the Bonds at the time outstanding, the Assembly 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:

1. Extend the fixed maturity of any of the Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owners of each Bond so affected (the Bond Bank as Registered Owner of each Bond so affected may give such consent by executing an amendment to the Loan Agreement that includes the changes that are effected by such supplemental resolution); or

2. Reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such supplemental resolution without the consent of the Registered Owners of all of the Bonds then outstanding.

It shall not be necessary for the consent of the Registered Owners of the Bonds under this subsection to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

C. 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 Borough and all Registered Owners of outstanding Bonds 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.

D. 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 Borough, to any modification of this Resolution contained in any such supplemental resolution may be prepared by the Borough and delivered without cost to the Registered Owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 15. Defeasance. In the event money and/or non-callable Government Obligations maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the Bonds in accordance with their terms are set aside in a special trust account to effect such redemption or retirement and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be

made to pay or secure the payment of the principal of and interest on such Bonds and such Bonds shall be deemed not to be outstanding.

Section 16. Exchange of Bonds; Amendatory Loan Agreement. The Bonds shall be delivered to the Bond Bank in exchange for the Refunded Bonds. Subject to the limitations provided in Sections 2 and 4, each of the Mayor and the Mayor *pro tempore* is hereby authorized to determine the aggregate principal amount, maturity amounts, interest rates, yields, dated date, principal and interest payment dates, record dates for principal and interest payments, and other details of the Bonds; provided that: (i) the principal amount of each maturity of the Bonds shall not exceed the principal amount of the portion of the corresponding maturity of the Bond Bank Bonds that is allocated to the making of a loan to the Borough; and (ii) the interest rate on each maturity of the Bonds shall not exceed the interest rate on the corresponding maturity of the Bond Bank Bonds. Based upon the foregoing determinations, the Mayor and the Mayor *pro tempore* are each authorized to negotiate and execute the Amendatory Loan Agreement.

Section 17. Authority of Officers. The Mayor, the Mayor *pro tempore*, the Borough Clerk, and the Deputy Borough Clerk each is authorized and directed to do and perform all things and determine all matters not determined by this Resolution, to the end that the Borough may carry out its obligations under the Bonds and this Resolution. The Mayor and the Mayor *pro tempore* each is further authorized from time to time to approve a revised schedule of principal payment amounts and interest rates for the Bonds, in accordance with the refinancing provisions of the Loan Agreement, in connection with a refunding of the Bond Bank Bonds, so long as the said officer finds that the revised debt service schedule is financially advantageous to the Borough. The Mayor and the Mayor *pro tempore*, each is authorized to sign an amendment to the Loan Agreement that sets forth the revised debt service schedule, and the Mayor, the Mayor *pro tempore*, the Deputy Borough Clerk and other appropriate officers of the Borough are authorized and directed to take such steps, to do such other things, and to execute such letters, certificates, agreements, or instruments as in their judgment may be necessary, appropriate or desirable for refinancing the Bonds in connection with a refunding of the Bond Bank Bonds.

Section 18. Prohibited Sale of Bonds. No person, firm or corporation, or any agent or employee thereof, acting as financial consultant to the Borough under an agreement for payment in connection with the sale of the Bonds, is eligible to purchase the Bonds as a member of the original underwriting syndicate either at public or private sale.

Section 19. Ongoing Disclosure. The Borough acknowledges that, under Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Borough may now or in the future be an "obligated person" with respect to the Bond Bank Bonds. In accordance with the Rule and as the Bond Bank may require, the Borough shall enter

into a continuing disclosure agreement and undertake to provide certain annual financial information and operating data as shall be set forth in the Amendatory Loan Agreement.

Section 20. Miscellaneous.

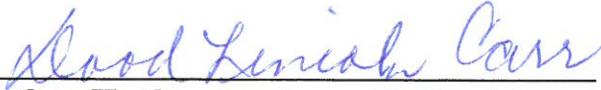
A. All payments made by the Borough of, or on account of, the principal of or interest on the Bonds shall be made on the several Bonds ratably and in proportion to the amount due thereon, respectively, for principal or interest as the case may be.

B. 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 Assembly or officer of the Borough 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 Borough, 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 Borough.

Section 21. Severability. 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 22. Effective Date. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED THIS 28th DAY of APRIL 2020.



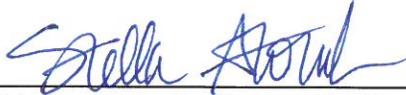
Nathan Hadley, Jr., Assembly President

SIGNED AND APPROVED THIS 28th DAY of APRIL 2020.



Lucy C. Nelson, Mayor

SIGNED AND ATTESTED TO THIS 28th DAY of APRIL 2020.



Stella Atoruk, Borough Clerk

ATTEST:

