

A RESOLUTION of the Assembly of Haines Borough, Alaska, authorizing the issuance of a general obligation bond of the Borough in a principal amount not to exceed \$1,375,000 to finance a portion of the cost of capital improvements to Haines High School, as authorized by Ordinance No. 14-07-388 and ratified by the Borough's voters at an election held on October 7, 2014; authorizing tax levies to pay the principal thereof and interest thereon; and authorizing the sale of the bond to the Alaska Municipal Bond Bank on the terms and conditions provided in this resolution.

WHEREAS, at an election held in Haines Borough, Alaska (the "Borough"), on October 7, 2014, the number and proportion of qualified electors of the Borough as required by law for the adoption thereof voted in favor of two propositions authorizing the issuance of general obligation bonds of the Borough in a principal amount not to exceed \$2,123,394 to finance a portion of the cost of capital improvements to Haines High School (the "Project"), as authorized by Ordinance No. 14-07-388 of the Borough passed on August 26, 2014 (the "Election Ordinance"); and

WHEREAS, the Assembly wishes to authorize the issuance of not to exceed \$1,375,000 principal amount of the general obligation bonds authorized by the Election Ordinance and approved by the Borough's voters; and

WHEREAS, it is in the best interest of the Borough to sell the bonds to the Alaska Municipal Bond Bank (the "Bond Bank") on the terms and conditions set forth herein and in a loan agreement authorized by this resolution to be entered into by the Borough Manager;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of Haines Borough, Alaska, as follows:

Section 1. Definitions. As used in this resolution, the following words have the following meanings, unless a different meaning clearly appears from the context:

"Assembly" means the Assembly of Haines Borough, the general legislative authority of the Borough, as the same shall be duly constituted from time to time, or any successor body.

"Bond" means the Haines Borough, Alaska, General Obligation Bond, 2015, in a principal amount not to exceed \$1,375,000, authorized to be issued and sold to the Bond Bank pursuant to this resolution.

"Bond Bank" means the Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended.

“Bond Bank Bonds” means bonds to be issued by the Bond Bank to provide funds to be loaned to the Borough pursuant to the Loan Agreement.

“Bond Fund” means the “Haines Borough General Obligation Bond Redemption Fund, 2015,” authorized to be created by Section 5 of this resolution.

“Bond Premium” means proceeds of the Bond representing an allocation of the original issue premium, if any, on the Bond Bank’s Bonds.

“Bond Register” means the registration books for the Bond maintained by the Registrar, for the purpose of complying with the requirements of Section 149 of the Code and listing, inter alia, the names and addresses of the Registered Owner of the Bond.

“Borough” means Haines Borough, a home rule municipal corporation duly organized and existing under the Constitution and laws of the State of Alaska and its Charter.

“Chief Fiscal Officer” means the Borough’s Chief Fiscal Officer (also known as the Finance Director) or the successor to the duties of that office.

“Code” means the federal Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Bond.

“Election Ordinance” means Ordinance No. 14-07-388 of the Borough, adopted by the Assembly on August 26, 2014, and ratified by the Borough’s voters in an election held in the Borough on October 7, 2014.

“Government Obligations” means any bonds or other obligations that, as to principal and interest, constitute direct obligations of, or are unconditionally guaranteed by, the United States of America.

“Loan Agreement” means the Loan Agreement by and between the Borough and the Bond Bank authorized to be entered into pursuant to Section 12 of this resolution.

“Project Fund” means the “Haines High School Project Fund, 2015,” created pursuant to Section 11 of this resolution.

“Registrar” means the Chief Fiscal Officer, for the purposes of registering and authenticating the Bond, maintaining the Bond Register, and paying principal of and interest on the Bond.

“Registered Owner” means the person in whose name the Bond is registered on the Bond Register.

“Rule” means the SEC’s Rule 15c2-12 under the Securities Exchange Act of 1934.

“SEC” means the Securities and Exchange Commission.

“Tax Certificate” means the certificate with respect to federal tax matters relating to the Bond authorized to be executed by the Chief Fiscal Officer pursuant to the provisions of Section 7 of this resolution.

Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number include the plural numbers and vice versa unless the context otherwise indicates. Reference to sections and other subdivisions of this resolution are to the sections and other subdivisions of this resolution as originally adopted unless expressly stated to the contrary. The headings or titles of the sections hereof, and the table of contents appended hereto, are for convenience of reference only and do not define or limit the provisions hereof.

Section 2. Authorization of the Bond. The Borough shall now issue and sell not to exceed \$1,375,000 principal amount of the general obligation bonds authorized by the Election Ordinance and approved by the Borough’s voters at an election held on October 7, 2014, to finance a portion of the cost of capital improvements to the Haines High School as described in the Election Ordinance and to pay costs of issuance of the bonds, all as authorized by the Election Ordinance. The bonds shall be issued and sold to the Bond Bank as a single bond in a principal amount not to exceed \$1,375,000, designated as the “Haines Borough, Alaska, General Obligation Bond, 2015” (the “Bond”). The Bond shall be fully registered as to both principal and interest, shall be numbered separately in such manner as the Registrar determines, shall be dated as of the date to be established in accordance with Section 12 hereof, and shall mature on the date or dates, bear interest at the rate or rates, and be payable on the dates and in the principal amounts to be established in accordance with Section 12 hereof. Interest on the Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Section 3. Registration, Payment and Transfer. The Chief Fiscal Officer will act as authenticating agent, transfer agent, paying agent and registrar for the Bond (collectively, the “Registrar”). Both principal of and interest on the Bond are payable in lawful money of the United States of America. Interest on the Bond will be paid by check or draft of the Registrar mailed (on the date such interest is due) to the Registered Owner or nominee at the addresses appearing on the Bond Register on the fifteenth day of the month preceding each interest payment date. Principal of the Bond is payable upon presentation and surrender of the Bond to the Registrar by the Registered Owner or nominee at the office of the Registrar in Haines, Alaska. Notwithstanding the foregoing, if the Bond is sold to the Bond Bank pursuant to the provisions of Section 12 of this resolution, and for so long as the Bond Bank is the owner of the Bond, payments of principal of and interest on the Bond will be made to the Bond Bank in accordance with the Loan Agreement.

The Bond may be transferred only on the Bond Register maintained by the Registrar for that purpose upon the surrender thereof by the Registered Owner or nominee or his or her duly authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully registered Bond of like principal amount, maturity and interest rate will be issued to the transferee in exchange therefor. Upon surrender thereof to the Registrar, the Bond is

interchangeable for a bond or bonds (in denominations of \$5,000 or any integral multiple thereof) of an equal aggregate principal amount and of the same interest rates and principal payment amounts as the Bond. Such transfer or exchange will be without cost to the Registered Owner or transferee.

The Borough may deem the person in whose name the Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on the Bond and for any and all other purposes whatsoever.

Section 4. Prepayment. Provisions for the optional prepayment of some or all principal installments of the Bond may be established pursuant to Section 12 and will be set forth in the Loan Agreement. Portions of the principal amount of the Bond, in increments of \$5,000 or any integral multiple of \$5,000, may be prepaid.

So long as the Bond Bank is the owner of the Bond, notice of prepayment will be given according to the terms of the Loan Agreement. If the Bond Bank is not the owner of the Bond, notice of prepayment thereof will be given not less than 20 nor more than 60 days prior to the date fixed for prepayment by first class mail, postage prepaid, to the Registered Owner of the Bond at the address appearing on the Bond Register. The requirements of this section will be deemed complied with when notice is mailed as herein provided, regardless of whether it is actually received by the owner of the Bond. Each official notice of prepayment will be dated and state: (i) the prepayment date, (ii) the prepayment price or prepayment premium, if any, payable upon prepayment; (iii) if less than all of an installment of principal is to be prepaid, the principal amount to be prepaid (which must be an integral multiple of \$5,000); (iv) that the interest on the Bond, or on the principal amount thereof to be prepaid, designated for prepayment in the notice, will cease to accrue from and after the prepayment date; and (v) that on that date there will become due and payable on the Bond the principal amount thereof to be prepaid and the interest accrued on that principal amount to the prepayment date.

Section 5. Bond Fund; Pledge of Taxes. A special fund of the Borough known as the "Haines Borough General Obligation Bond Redemption Fund, 2015" (the "Bond Fund"), is hereby authorized to be created in the office of the Chief Fiscal Officer. The Bond Fund may only be drawn upon for the purpose of paying principal of and interest on the Bond.

The Bond is a general obligation of the Borough. As authorized by the Election Ordinance, the Borough hereby irrevocably covenants that, unless the principal of and interest on the Bond are paid from other sources, it will make annual levies of property taxes without limitation as to rate or amount, and in amounts sufficient, together with other legally available funds, to pay such principal and interest as the same become due. The full faith, credit and resources of the Borough are hereby irrevocably pledged for the annual levy and collection of such property taxes and for the prompt payment of such principal and interest.

Section 6. Defeasance. If money and/or Government Obligations, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bond or a portion thereof in accordance with its terms, are set aside in a special account to effect such prepayment and retirement, and such money and the principal of and interest on such

obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bond or portion thereof so provided for, and the Bond or portion thereof will cease to be entitled to any lien, benefit or security of this resolution except the right to receive the money so set aside and pledged, and the Bond or portion thereof will be deemed not to be outstanding hereunder.

Section 7. Tax Covenants.

(a) General. The Borough covenants not to take any action, or knowingly to omit to take any action within its control, that if taken or omitted would cause the interest on the Bond to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes.

(b) Tax Certificate. Upon the issuance of the Bond, the Chief Fiscal Officer is authorized to execute a federal tax certificate (the "Tax Certificate"), which will certify to various facts and representations concerning the Bond, based on the facts and estimates known or reasonably expected on the date of their issuance, and make certain covenants with respect to the Bond as may be necessary or desirable to obtain or maintain the benefits conferred under the Code relating to tax-exempt bonds.

The Borough covenants that it will comply with the Tax Certificate unless it receives advice from nationally recognized bond counsel or the Internal Revenue Service that certain provisions have been amended or no longer apply to the Bond.

Section 8. Lost or Destroyed Bond. If a Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond of like amount, date, and tenor to the Registered Owner upon such owner's paying the expenses and charges of the Borough in connection with preparation and authentication of the replacement Bond and upon his or her filing with the Registrar evidence satisfactory to the Registrar that the Bond was actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the Borough with indemnity satisfactory to the Registrar.

Section 9. Form of the Bond. The Bond will be in substantially the following form:

NO. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF ALASKA

HAINES BOROUGH
GENERAL OBLIGATION BOND, 2015

INTEREST RATE:

FINAL MATURITY DATE:

SEE BELOW

REGISTERED OWNER: ALASKA MUNICIPAL BOND BANK

PRINCIPAL AMOUNT: _____ DOLLARS

Haines Borough, Alaska (the "Borough"), a home rule municipal corporation organized and existing under and by virtue of the laws and Constitution of the State of Alaska and its Charter, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the principal amount specified above, in installments payable as set forth below, together with interest on such installments from the date hereof or the most recent date to which interest has been paid or duly provided for, at the interest rates set forth below, on _____, 20__, and on each _____ 1 and _____ 1 thereafter until payment of the principal sum has been made or duly provided for.

Principal Installment Payment Year (_____) 1)	Principal Installment Amount	Interest Rate
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Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of principal of and interest on this bond are payable by check or draft of the Chief Fiscal Officer of the Borough (the "Registrar") mailed on the date such interest is due to the Registered Owner at the address appearing on the Bond Register as of the fifteenth day of the month preceding the interest payment date. The final installment of principal of and interest on this bond will be paid to the Registered Owner upon presentation and surrender of this bond at the office of the Registrar. Notwithstanding the foregoing, so long as the Bond Bank is the Registered Owner of this bond, payments of principal of and interest on this bond will be made to the Bond Bank in accordance with the Loan Agreement.

This bond is a general obligation bond of the Borough, as authorized by Ordinance No. 14-07-388 of the Borough, which was approved by the voters of the Borough, and issued pursuant to Resolution No. 15-08-639, adopted by the Borough Assembly on August 25, 2015 (the "Bond Resolution"), to finance capital improvements to the Haines High School. Capitalized terms used in this bond and not otherwise defined herein have the meanings given those terms in the Bond Resolution.

Principal installments of this bond are subject to prepayment as provided in the Loan Agreement.

The Borough hereby irrevocably covenants that, unless the principal of and interest on this bond are paid from other sources, it will make annual levies of property taxes without limitation as to rate or amount, and in amounts sufficient, together with other legally available funds, to pay such principal and interest as the same becomes due. The full faith, credit and resources of the Borough are hereby irrevocably pledged for the annual levy and collection of such property taxes and for the prompt payment of such principal and interest.

The pledge of tax levies for payment of principal of and interest on this bond may be discharged prior to maturity of the bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond will not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon has been manually signed by the Registrar.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the charter, ordinances, and resolutions of the Borough, that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that this bond does not exceed any Constitutional or statutory limitations.

IN WITNESS WHEREOF, Haines Borough, Alaska, has caused this bond to be signed on behalf of the Borough with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Borough Clerk, and the seal of the Borough to be imprinted or impressed hereon, as of this ___ day of _____, 2015.

HAINES BOROUGH, ALASKA

By _____ /s/ _____
Mayor

[SEAL]

ATTEST:

/s/
Borough Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is the Haines Borough, Alaska, General Obligation Bond, 2015, dated _____, 2015, as described in the Bond Resolution.

Chief Fiscal Officer, Haines Borough,
Alaska, as Registrar

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF
TRANSFEREE

(Please print or typewrite name and address, including zip code of Transferee)

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____
of _____, or its
successor, as agent to transfer said bond on the books kept by the Registrar for registration
thereof, with full power of substitution in the premises.

DATED: _____, _____.

SIGNATURE GUARANTEED:

NOTE: The signature of this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 10. Execution of the Bond. The Bond will be signed on behalf of the Borough by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Borough Clerk, and the seal of the Borough will be impressed or imprinted thereon.

Only a Bond that bears thereon a Certificate of Authentication in the form set forth in Section 9 hereof, manually executed by the Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this resolution. The executed Certificate of Authentication will be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, registered, and delivered hereunder and is entitled to the benefits of this resolution.

If any officer who has signed or attested the Bond ceases to be an officer of the Borough authorized to sign bonds before the Bond bearing his or her signature is authenticated or delivered by the Registrar or issued by the Borough, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, will be as binding on the Borough as though that person had continued to be an officer of the Borough authorized to sign bonds. The Bond also may be signed on behalf of the Borough by any person who, on the actual date of signing of the Bond, is an officer of the Borough authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bond.

Section 11. Application of Bond Proceeds. A special fund of the Borough known as the "Haines High School Project Fund, 2015" (the "Project Fund") is hereby authorized to be created in the office of the Chief Fiscal Officer. At the time of delivery of the Bond, the proceeds of the sale of the Bond will be deposited as follows:

(a) The accrued interest, if any, to the date of delivery will be deposited in the Bond Fund and used to pay a portion of interest on the Bond on the first interest payment date; and

(b) The remaining Bond proceeds will be deposited in the Project Fund and used to pay costs of the Project and costs of issuance of the Bond, as authorized by the Election Ordinance; provided, however, that any Bond Premium exceeding the costs of issuing the Bond must be deposited in the Bond Fund.

Money remaining in the Project Fund after all such costs have been paid or reimbursed will be deposited in the Bond Fund. Money in the Project Fund may be invested as permitted by law. All interest earned and profits derived from such investments will be retained in and become a part of the Project Fund.

Section 12. Sale of the Bond. The Chief Fiscal Officer and Borough Manager are authorized to complete the sale of the Bond to the Bond Bank on terms and conditions consistent with this resolution and a loan agreement in substantially the form set forth on Exhibit A attached to this resolution (the "Loan Agreement"). Following the sale of the Bond Bank Bonds, such terms and conditions, including the final principal amount, date, principal installment payment schedule, interest rates and prepayment provisions for the Bond, all as provided for in this resolution, will be set forth in the Loan Agreement, subject to the Borough Manager's approval, which approval will be conclusively evidenced by his signing and delivering the Loan Agreement to the Bond Bank.

Section 13. 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 will undertake to provide certain annual financial information and operating data as set forth in the Loan Agreement.

Section 14. General Authorization; Prior Acts. The Mayor, Borough Manager, Chief Fiscal Officer and Borough Clerk and any other appropriate officers of the Borough are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 15. Severability. If any covenant or agreement provided in this resolution to be performed on the part of the Borough is declared by any court of competent jurisdiction to be contrary to law, then that covenant or agreements will be null and void and deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 16. Effective Date. This resolution will be in full force and effect immediately upon its adoption by the Assembly.

APPROVED AND ADOPTED by the Assembly of Haines Borough, Alaska, at a regular meeting thereof, held on August 25, 2015.

HAINES BOROUGH, ALASKA

By Janice Hill
Janice Hill, Mayor

ATTEST:

Julie Cozzi
Julie Cozzi, MMC, Borough Clerk

