Non-Code Ordinance

By: Borough Manager
Introduced: 04/05/16
Public Hearing: 04/19/16
Adopted: 04/19/16

MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 16-035

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED $85,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE WEST COGHLAN CIRCLE NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 557, AND FIXING DETAILS OF SAID BONDS.

WHEREAS, the Assembly of the Matanuska-Susitna Borough (the "Borough") has determined and does hereby determine that it is necessary to proceed to plan, design, develop, construct, equip, acquire property for, or otherwise provide for Natural Gas in the West Coghlan Circle Natural Gas Local Improvement District (the "project"); and

WHEREAS, a local improvement district known as the West Coghlan Circle Natural Gas Local Improvement District No. 557 (the "LID") has been formed for the project, special assessments will be levied on properties in the LID that are specially benefited by the project, and said special assessments, with interest thereon, will be sufficient (together with other amounts) and available to pay the principal of and interest on the hereinafter defined bonds; and

WHEREAS, it is deemed necessary and advisable and in the best interests of the Borough and its inhabitants that not to exceed

$85,000 principal amount of special assessment bonds be issued at this time in a single series, as hereinafter fixed and determined, for the purpose of paying the cost (as hereinafter defined) of the project; and

WHEREAS, the proper officials of the Borough have negotiated an agreement (the "agreement") with Wells Fargo Bank, National Association (the "purchaser"), which provides, inter alia, for the issuance and sale by the Borough and the purchase by the purchaser of the hereinafter defined bonds; and

WHEREAS, it is hereby found to be in the best interest of the Borough that the agreement be approved and executed and that certain matters relating to such bonds and the use of the proceeds of such sale be established.

NOW, THEREFORE, BE IT ENACTED BY THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Purpose. The purpose of this ordinance is to authorize the issuance and sale of not to exceed $85,000 of special assessment bonds to be sold in one series to provide funds to pay the capital costs of the project, to pay the costs of issuance of the bonds authorized herein and to fix certain details of said bonds to be issued.

Section 3. Definitions. The following terms shall have the following meanings in this ordinance:

A. "Agreement" means the Agreement 12-185 dated June 8, 2012, from Wells Fargo Bank, National Association, and accepted by the Borough for the sale of the bonds by the Borough to the purchaser.

B. "Assembly" means the Borough Assembly, as the general legislative authority of the Borough, as the same shall be duly and regularly constituted from time to time.

C. "Authorized Denomination" means the lower of (i) two hundred fifty thousand dollars ($250,000) and integral multiples of one dollar ($1) in excess thereof or (ii) the aggregate principal amount of the bonds outstanding.

D. "Bond" or "Bonds" means any of the Matanuska-Susitna Borough Special Assessment Bonds, West Coghlan Circle Natural Gas Local Improvement District No. 557, 2016, the issuance and sale of which are authorized herein.

E. "Bond register" means the registration books maintained by the Borough, which include the names and addresses of the owners or nominees of the owners of the Bonds.

F. "Cost" or "Costs" means all costs of the project allowable in special assessments under AS 29.46.110.

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

H. "Ordinance" shall mean this Ordinance Serial No. 16-035 of the Borough.

I. "Purchaser" means Wells Fargo Bank, National Association, the purchaser of the bonds.

J. "LID" means Local Improvement District No. 557.

Section 4. Authority for ordinance. The Borough has ascertained and hereby determines that each and every matter and thing as to which provision is made in this ordinance is necessary in order to carry out and effectuate the purposes of the Borough in accordance with the Constitution and statutes of the state of Alaska, and the code of ordinances of the Borough, and to issue the bonds.

Section 5. Obligation of bonds. The bonds are a special obligation of West Coghlan Circle Natural Gas Local Improvement District No. 557 of the Borough and are payable solely from assessments levied against the properties which are specially benefited by the project within the West Coghlan Circle Natural Gas Local Improvement District No. 557 and funds pledged for the payment of the bonds under this ordinance. Said assessments shall constitute a sinking fund for the payment of principal of and

interest on the bonds. Neither the faith and credit nor the taxing power of the Borough are pledged to the payment of the principal of and interest on the bonds.

Section 6. Authorization of bonds and purpose of issuance. For the purpose of providing part of the funds required to pay the cost of the project, and to provide for original issue discount, if any, 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 one series in the aggregate principal amount of not to exceed $85,000.

Section 7. Maturities, payment dates, designation and form of bonds. The bonds shall be designated Matanuska-Susitna Borough Special Assessment Bonds, West Coghlan Circle Natural Gas Local Improvement District No. 557, 2016, shall be dated the date of their delivery to the purchaser, and shall mature on April 1, 2026.

The bonds shall bear interest from their date at a rate determined in accordance with the Agreement, which shall not exceed 5.09 percent per annum. Installments of principal and interest on the bonds (the "installment payments") shall be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2016. Each installment payment shall consist of an equal amount of principal, plus accrued interest.

The bonds shall be issued as fully registered bonds, without coupons, in physical form, and may not be issued as book-entry bonds. The bonds shall be registered as to principal and interest as herein provided. The bonds shall each be in an authorized denomination and of the same interest rate and maturity, approved by the Borough, such approval to be evidenced by the execution of such bonds. The bonds shall be numbered separately in the manner and with such additional designation as the Borough deems necessary for purposes of identification. The bonds shall be substantially in the form of such bond hereinafter set forth, with such appropriate variations, omissions or insertions as are permitted or required by this ordinance, 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. Each bond shall bear a number or letter, or a number and letter, distinguishing it from every other bond.

Section 8. Details of bonds. Each of the bonds shall be signed by the manual signature of the Mayor and the official seal of the Borough (or a facsimile thereof) shall be affixed, imprinted or otherwise reproduced on the bonds, and attested by the manual signature of the Borough Clerk. In case any officer whose signature shall appear on any bonds shall cease to be such

officer before the delivery of such bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery.

The principal, redemption price of, and the interest on the bonds shall be payable in any coin or currency of the United States of America, which at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

Payment of the principal and interest on the bonds shall be made by check or draft mailed to the registered owner of record as of the 15th day of the month preceding each installment payment date at the address appearing on the bond register of the Borough.

Section 9. Transfer and exchange of bonds and delivery of new bonds. Any bond may be transferred only upon the books kept for the registration and transfer of bonds by the Borough, upon surrender thereof at the office of the Borough, together with an assignment duly executed by the registered owner or the owner's attorney in such form as shall be satisfactory to the Borough. Upon the transfer of any such bond, there shall be executed in the name of the transferee, and the Borough shall authenticate and deliver, a new registered bond or bonds of the same maturity in any of the authorized denominations.

In all cases in which bonds may be transferred or exchanged under this ordinance, there shall be executed, and the Borough shall authenticate and deliver, bonds in accordance with the provisions of this ordinance. Any such transfer or exchange shall be without cost to the registered owner, except that the Borough may make a charge for every such registration, transfer or exchange of bonds sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such registration, exchange or transfer, and such charge or charges shall be paid before any such new bond shall be delivered. The Borough shall not be required to make any such registration, transfer or exchange of a bond during the fifteen (15) days next preceding an interest payment date on such bond.

Notwithstanding the foregoing, bonds may be transferred only in authorized denominations and only to (i) an affiliate of an owner of the bonds, (ii) a trust or custodial arrangement established by an owner of the bonds or one of its affiliates, the owners of the beneficial interests in which are limited to qualified institutional buyers, as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (iii) to a person that is a qualified institutional buyer that is a commercial bank having a combined capital and surplus, determined as of the date of any transfer pursuant to this section, of five

billion dollars ($5,000,000,000) or more that has executed and delivered to the Borough an investor letter in the form of Exhibit A hereto.

Section 10. Ownership of bonds. As to any bond, the person in whose name the same shall be registered on the bond register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of such bond and the interest on such bond shall be made only to or upon the order of the registered owner thereof or the owner's legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 11. Mutilated, destroyed, stolen or lost bonds. In case any bond shall become mutilated or be destroyed, stolen or lost, the Borough may cause to be executed, and shall deliver, a new bond of like interest rate, principal amount and maturity in exchange and substitution for and upon cancellation of such mutilated bond, or in lieu of and in substitution for such bond destroyed, stolen or lost, upon the owner thereof paying the reasonable expenses and charges of the Borough in connection therewith and in the case of a bond destroyed, stolen or lost,

filing by the owner with the Borough evidence satisfactory to the Borough that such bond was destroyed, stolen or lost, and of the owner's ownership thereof, and furnishing the Borough with indemnity satisfactory to it. Any new bond so delivered may bear a number differing from the number of the bond it replaces.

Section 12. Redemption of bonds. The bonds are subject to redemption at the option of the Borough, in whole or in part, at any time. Any redemption of bonds shall be at a redemption price of the principal amount of the bonds to be redeemed, plus accrued interest.

Section 13. Notice of redemption. When the Borough determines to redeem any bonds, it shall give notice of such redemption in the manner then provided by law, which notice shall state the redemption date and identify the bonds to be redeemed by reference to their numbers and further state that on such redemption date there shall become due and payable upon each such bond the principal amount thereof plus the applicable premium, if any (the "redemption price"), together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue. Such notice shall be given at least 30 days but not more than 45 days prior to the redemption date by first class mail, postage prepaid, to the registered owner

of any Bond to be redeemed at the address of the registered owner appearing on the bond register.

Section 14. Payment of redeemed bonds. Notice of redemption having been given in the manner provided in this ordinance, the bonds so called for redemption shall become due and payable on the redemption date stated in said notice at the applicable redemption price on said date plus interest accrued and unpaid to the redemption date upon presentation and surrender thereof at the office of the Borough. If, on the redemption date, moneys for the redemption of all the bonds to be redeemed, together with interest accrued and unpaid to the redemption date, shall be held on behalf of the Borough at the office of the Borough so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then from and after the redemption date the bonds so called for redemption shall cease to bear interest.

Section 15. 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 ordinance:

THIS BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 9 OF THE ORDINANCE AND AS PROVIDED HEREIN

UNITED STATES OF AMERICA

STATE OF ALASKA

MATANUSKA-SUSITNA BOROUGH

Special Assessment Bond

West Coghlan Circle Natural Gas
Local Improvement District No. 557
2016

NO. $

INTEREST RATE

Registered Owner

Principal Amount DOLLARS

The Matanuska-Susitna Borough (the "Borough"), a municipal corporation of the state of Alaska, for value received, acknowledges itself indebted and hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered owner identified above, or registered assigns, the principal amount shown above, and to pay (but only out of the sources hereinafter mentioned) interest on the unpaid principal sum from the date hereof at the interest rate per annum shown above. Installments of principal and interest (the "installment payments") shall be payable semiannually on April 1 and October 1 of each year commencing October 1, 2016 until April 1, 2026, when the entire remaining principal balance hereof plus accrued interest shall be paid in full. Each installment payment shall consist of an equal amount of principal, plus accrued interest. The principal, interest and redemption price of this bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Payment of principal and interest shall be made by check or draft mailed to the registered owner of record as of the 15th day of the month preceding each

installment payment date at the address appearing on the bond register of the Borough.

This bond is one of the 2016 special assessment bonds, West Coghlan Circle Natural Gas Local Improvement District No. 557, of the Matanuska-Susitna Borough, Alaska, of like tenor and effect except as to serial numbers, aggregating not to exceed $85,000 in principal amount, and constituting bonds authorized for the purpose of raising funds to pay the cost of Natural Gas in the West Coghlan Circle Natural Gas Local Improvement District No. 557 of the Borough, and is issued under Ordinance Serial No. 16-035 of the Borough entitled:

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED $85,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE WEST COGHLAN CIRCLE NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 557, AND FIXING DETAILS OF SAID BONDS.

(herein called the "ordinance") adopted on - , 2016.

This bond is issuable as a fully registered bond in the principal amount of the lower of (i) two hundred fifty thousand dollars ($250,000) and integral multiples of one dollar ($1) in excess thereof or (ii) the aggregate principal amount of the bonds outstanding (an "Authorized Denomination"). This bond, upon surrender hereof at the designated office of the Borough with a written instrument of transfer satisfactory to the Borough executed by the registered owner hereof or such owner's attorney duly authorized in writing, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of bonds of the same aggregate principal amount and tenor as the bond being exchanged and of any authorized denomination. This bond

may be registered as transferred as provided in the Ordinance, subject to certain limitations therein contained, only upon the bond register, and only upon surrender of this bond for registration of transfer to the Borough accompanied by a written instrument of transfer (in substantially the form of the assignment attached hereto) duly executed by the registered owner hereof or such owner's duly authorized attorney. Thereupon, one or more new bonds of any authorized denomination and in the same aggregate principal amount and tenor as the bond surrendered (or for which registration of transfer has been effected) will be issued to the designated transferee or transferees.

The bonds are subject to redemption by or on behalf of the Borough prior to maturity and upon notice as set forth in the ordinance in whole or in part on any date at a redemption price of the principal amounts thereof, together with interest thereon to the redemption date.

This bond is transferable as provided in the ordinance (i) only upon the bond register of the Borough kept for that purpose at the office 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 attorney of the registered owner duly authorized in writing, 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 ordinance 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 payable solely from assessments levied against properties specially benefited within the Borough local improvement district known as West Coghlan Circle Natural Gas Local Improvement District No. 557 and is a special obligation of said local improvement district. Said assessments constitute a sinking fund for the payment of principal of and interest on the bond and the properties specially benefited are pledged to secure the bond.

The registered owner of this bond shall not have any claim thereunder against the Borough except for payment from special assessments made for the improvements for which the bond was issued and except for payment from the funds pledged for that purpose under the ordinance. The remedy of the registered owner of this bond shall be confined to the enforcement of such assessments and to such funds. The Borough shall not be liable to the registered owner of this bond for any loss to such funds occurring in the lawful operation thereof.

THIS BOND IS NOT A GENERAL OBLIGATION OF THE BOROUGH AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE BOROUGH IS PLEDGED TO ITS PAYMENT.

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 code of ordinances of the Borough to exist, to have happened or

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 code of ordinances.

IN WITNESS WHEREOF, THE MATANUSKA-SUSITNA BOROUGH, ALASKA, has caused this bond to be signed in its name and on its behalf by the signature of its Mayor and its corporate seal to be hereunto affixed, imprinted or otherwise reproduced, and attested by the signature of its Clerk, all as of the - day of - , 2016.

_____

VERN HALTER, Borough Mayor

ATTEST:

_____

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

Section 16. Establishment of guaranty fund. There is established the West Coghlan Circle Natural Gas Local Improvement District No. 557 special assessment bond guaranty fund (The "guaranty fund") to which the Assembly shall annually appropriate a sum the Assembly determines to be adequate, with other available funds, to cover a deficiency in meeting payments of principal and interest on the bonds if the reason for the deficiency is nonpayment of assessments when due. Money received from actions

taken against property for nonpayment of assessments confirmed by Ordinance Serial No. 16-034 of the Borough shall be credited to the guaranty fund. Amounts in the guaranty fund shall be used to pay principal and interest on the bonds when other funds are not available for that purpose.

Section 17. Disbursement of bond proceeds for project costs. That part of the bond proceeds required for costs of the project shall be deposited in the West Coghlan Circle Natural Gas Local Improvement District No. 557 construction account, which is hereby established within the West Coghlan Circle Natural Gas fund 825, heretofore established by the Borough. There shall be paid from this account all amounts required for costs of the project.

Section 18. Establishment of reserve and refund account.

A. There is established the West Coghlan Circle Natural Gas Local Improvement District No. 557 reserve and refund account (the "reserve and refund account") within the West Coghlan Circle fund 825.

B. There shall be paid into the reserve and refund account:

1. That part of the bond proceeds not expended or required for the initial LID expenses such as construction of the road improvements, bond counsel fees, and similar expenses, and all anticipated administrative costs; and

2. Any sinking fund and guaranty fund balances after discharge of the bond.

C. At the end of each fiscal year, interest on the average reserve and refund account balance during the fiscal year at the rate determined by the Finance Director to be the average interest earned on Borough investments during the fiscal year shall be transferred from the general fund to the reserve and refund account.

D. Until the bonds have been discharged, the funds within the reserve and refund account may be used only to pay the difference between the amount of principal and interest due on the bonds and the amount of special assessment payments including interest, received and available to pay that amount; provided, if the Finance Director determines that the amount of funds available in the reserve and refund account substantially exceeds that which is reasonably expected to be needed to meet assessment delinquencies, the Finance Director may, to the extent of such excess, make a prepayment on the bonds.

E. At such time as the Finance Director determines that the sum of the amounts in the reserve and refund account, the guaranty fund and the sinking fund equals or exceeds the amount required to (i) discharge the bonds, (ii) pay all refunds of assessments required upon discharge of the bonds, and (iii) pay any other

amounts that may be owing on the bonds, the Finance Director shall cause such payment to be made and the bonds to be discharged.

Section 19. Establishment of sinking fund. There is established the West Coghlan Circle Natural Gas Local Improvement District No. 557 sinking fund (the "sinking fund"). Payments of principal and interest on assessments confirmed by Ordinance Serial No. 16-034 of the Borough shall be deposited in the sinking fund. Amounts in the sinking fund shall be used to pay principal and interest on the bonds, and are hereby pledged for that purpose. At the end of each fiscal year, interest on the average sinking fund balance during the fiscal year at the rate determined by the Finance Director to be the average interest earned on Borough investments during the fiscal year shall be transferred from the general fund to the sinking fund.

Section 20. Distribution of reserve and refund account funds.

A. Upon the discharge of the bonds, and the payment of all refunds of assessments required upon the discharge of the bonds, the funds remaining in the reserve and refund account shall be distributed as provided under this section.

B. The Finance Director shall distribute the balance of the reserve and refund account by sending to each owner of record as shown on the most recent records of the Borough assessor an amount equal to the fund balance divided by the number of lots within the

LID. If any lot or tract within the LID is divided into two or more lots, the refund for such resubdivided lots shall be computed by counting the resubdivided lots as a single lot for purposes of determining the initial refund entitlement. The initial refund entitlement shall then be divided equally among the resubdivided lots.

Section 21. Arbitrage covenant. The Borough covenants with the registered owners of all bonds at any time outstanding that it will make no use of the proceeds of the bonds which will cause the bonds to be "arbitrage bonds" subject to federal income taxation by reason of section 148 of the 1986 code. To that end, so long as any of the bonds are outstanding, the Borough, with respect to the proceeds of the bonds, shall comply with all requirements of said section 148 and of all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

Section 22. Compliance with 1986 code. The Borough hereby covenants to comply with any and all applicable requirements set forth in the 1986 code in effect from time to time to the extent that such compliance shall be necessary for the exemption from federal income taxes of the interest on the bonds. The Borough hereby further covenants to observe any and all applicable requirements in any future federal tax legislation to the extent

that such compliance is determined by the Borough to be legal and practicable and required for such exemption.

Section 23. Bond sale and agreement. The sale to the purchaser of not to exceed $85,000 principal amount of the bonds as provided in the Agreement, is hereby authorized and approved.

Section 24. Delivery of the bonds. The proper officials of the Borough are authorized and directed to execute all documents and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the bonds and the printing, authentication and delivery of the bonds in definitive form to the purchaser.

Section 25. Ratification. All actions taken by the Mayor, Manager and the Finance Director relative to the sale of the bonds are hereby in all respects ratified and confirmed. The appropriate officers of the Borough are hereby authorized and directed to do all things necessary for the prompt execution, issuance and delivery of the bonds and for the proper application and use of the bond proceeds.

Section 26. Authority of officers. The Mayor, the acting Mayor from time to time, the Borough Manager, the acting Borough Manager from time to time, the Finance Director, the acting Finance Director from time to time, the Borough Clerk and the acting Borough Clerk from time to time, are, and each of them

hereby is, authorized and directed to do and perform all things and determine all matters not determined by this ordinance, to the end that the Borough may carry out its obligations under the bonds and this ordinance.

Section 27. Pledge of funds. All assessments levied in the LID, interest thereon and foreclosure proceeds thereof, are hereby irrevocably pledged to the payment of the principal of and interest on the bonds. The pledge under this section remains in effect until all of the bonds have been discharged.

Section 28. Miscellaneous. 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 ordinance 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 and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of said state or of any political subdivision thereof.

Section 29. Severability. If any one or more of the covenants and agreements provided in this ordinance to be performed on the part of the Borough shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and

void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the bonds.

Section 30. Appropriation. There is appropriated for the purposes set out in this ordinance, all assessments and interest thereon from the assessments levied in the LID and assessment foreclosure proceeds. The appropriation under this section does not lapse until the final refund required under Section 20.B. of this ordinance has been made.

Section 31. Effective date. Ordinance Serial No. 16-035 shall take effect upon adoption by the Borough Assembly.

ADOPTED by the Matanuska-Susitna Borough Assembly this 19 day of April, 2016.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Sykes, Beck, McKee, Colligan, Mayfield, Doty, and Kowalke

EXHIBIT A

FORM OF INVESTOR LETTER

[Date of Purchase]

Matanuska-Susitna Borough

[Name of Bond]

Ladies and Gentlemen:

[Name of Purchaser] (the "Purchaser") has agreed to purchase the above-referenced bonds (the "Bonds") in the amount of [Amount] which were issued in the original aggregate principal amount of [Amount] by the Matanuska-Susitna Borough (the "Borough") bearing the interest rate as set forth in Ordinance Serial No. [No.] of the Borough Assembly (the "Ordinance"). All capitalized terms used herein, but not defined herein, shall have the respective meanings set forth in the Ordinance. The undersigned, an authorized representative of the Purchaser, hereby represents to you that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

2. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

3. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to

cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

4. The Purchaser is [(a) an affiliate of an owner of the Bonds,] [(b) a trust or other custodial arrangement established by an owner of the Bonds or one of its affiliates, the owners of the beneficial interests in which are limited to "qualified" institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act")] or [(c) a qualified institutional buyer that is a commercial bank having a combined capital and surplus of $5,000,000,000 or more].

5. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the Borough, the Project, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds.

6. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Borough, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borough, the Project, the Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bonds.

7. The Purchaser understands that the Bonds (i) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and

regulations of any state, (ii) are not listed on any stock or other securities exchange, and (iii) carry no rating from any credit rating agency.

8. The Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds in Authorized Denominations, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a person:

(a) that is an affiliate of an owner of the Bonds;

(b) that is a trust or other custodial arrangement established by an owner of the Bonds or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

(c) that is a qualified institutional buyer that is a commercial bank having a combined capital and surplus of $5,000,000,000 or more who executes an investor letter substantially in the form of this letter.