

NON-CODE ORDINANCE

By: Borough Manager
Introduced: 08/02/16
Public Hearing: 08/17/16
Adopted: 08/17/16

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 16-099**

AN ORDINANCE AMENDING CERTAIN PROVISIONS OF ORDINANCES OF THE BOROUGH RELATING TO OUTSTANDING SPECIAL ASSESSMENT BONDS OF THE BOROUGH, AND AUTHORIZING THE ISSUANCE OF REPLACEMENT SPECIAL ASSESSMENT BONDS OF THE BOROUGH TO INCORPORATE SUCH AMENDMENTS.

WHEREAS, the Assembly of the Matanuska-Susitna Borough (the "Borough") adopted the ordinances specified in Attachment "A" to this ordinance (the "Ordinances") on the dates specified in Attachment A, providing for the issuance and sale of special assessment bonds for the local improvement districts specified in Attachment A (the "Bonds"); and

WHEREAS, the Borough has sold the Bonds to Wells Fargo Bank, National Association; and

WHEREAS, Wells Fargo Bank, National Association has requested that the Borough amend certain provisions of the Ordinances and the Bonds; and

WHEREAS, the Assembly finds that it is in the best interest of the Borough and in furtherance the of the public purposes of the Borough to amend certain provisions of the Ordinances and the Bonds in accordance with such request;

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. Amendment of Section 3 of Ordinances. Section 3 of each of the Ordinances is amended to add the following definition:

"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.

Section 3. Amendment of Section 7 of Ordinances. Section 7 of each of the Ordinances is amended to read as follows, with the appropriate information for each of the local improvement districts inserted:

Section 7. Maturities, payment dates, designation and form of bonds. The bonds shall be designated Matanuska-Susitna Borough Special Assessment Bonds, (LID Name) (Road Paving)/(Noncontiguous)(Natural Gas)/(Water) Local Improvement District No. (LID No.), (Year), shall be dated the date of their delivery to the purchaser, and shall mature on (Maturity Date).

The bonds shall bear interest from their date at a rate determined in accordance with the Agreement, which

shall not exceed (Interest Rate) 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 (First Payment Date). 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 [of the] in an authorized denomination [of one thousand dollars (\$1,000) or any integral multiple of \$1,000] 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 4. Amendment of Section 8 of Ordinances. Section 8 of each of the Ordinances is amended to read as follows:

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.

Notwithstanding anything herein to the contrary, so long as the bonds are owned by the purchaser, (i) the borough shall pay principal of and interest and redemption price on the bonds when due by wire transfer in immediately available funds to the purchaser in accordance with such wire transfer instructions as shall be filed by the purchaser with the borough from time to time, (ii) payments of principal on the bonds shall be made without the requirement for presentation and surrender by the purchaser, provided that principal which is payable at maturity shall be made only upon presentation and surrender at the office of the borough, and (iii) the borough shall not be required to give notice to the purchaser of sinking fund payments made on the bonds.

Section 5. Amendment of Section 9 of Ordinances. Section 9 of each of the Ordinances is amended to read as follows:

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 in

compliance with the securities laws of the United States of America 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. The persons and entities identified in clauses (i) and (ii) of the foregoing sentence shall be referred to as the "Eligible Transferee(s)." Notwithstanding the foregoing, if the principal amount of the outstanding bonds is less than \$250,000, the bonds may not be transferred to any Eligible Transferee without the prior written consent of the borough.

Section 6. Amendment of Section 12 of Ordinances. Section 12 of each of the Ordinances is amended to read as follows:

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 to the redemption date.

Section 7. Amendment of Section 15 of Ordinances. Section 15 of each of the Ordinances is amended to read as follows, with the appropriate information for each of the local improvement districts inserted:

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

(LID Name) (Road Paving)/(Noncontiguous) (Natural Gas)/(Water)

Local Improvement District No. (LID No.)

(Year)

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 (First Payment Date), until (Maturity Date), 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 (Year) special assessment bonds, (LID Name) (Road Paving)/(Noncontiguous)(Natural Gas)/(Water) Local Improvement District No. (LID No.), of the Matanuska-Susitna Borough, Alaska, of like tenor and effect except as to serial numbers, aggregating not to exceed \$(Principal) in principal amount, and constituting bonds authorized for the purpose of raising funds to pay the cost of (road paving)/(gas improvements)/(water improvements) in the (LID Name) (Road Paving)/(Noncontiguous)(Natural Gas)/(Water) Local Improvement District No. (LID No.) of the borough, and is issued under Ordinance Serial No. (Serial No.) of the borough entitled:

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$(Principal) PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE (LID Name) (ROAD PAVING)/(NONCONTIGUOUS)(NATURAL GAS)/(WATER) LOCAL IMPROVEMENT DISTRICT NO. (LID No.), AND FIXING DETAILS OF SAID BONDS.

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

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 and 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.

Notwithstanding the foregoing, this bond may be transferred only in an Authorized Denomination in compliance with the securities laws of the United States of America and only to (i) an affiliate of an owner of the bond, (ii) a trust or custodial arrangement established by an owner of the bond 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 Section 9 of the ordinance, of five billion dollars (\$5,000,000,000) or more that has executed and delivered to the borough an investor letter in the form prescribed by the ordinance. The persons and entities identified in clauses (i) and (ii) of the foregoing sentence shall be referred to as the "Eligible Transferee(s)." Notwithstanding the foregoing, if the principal amount of this bond is less than \$250,000, this bond may not be transferred to any Eligible Transferee without the prior written consent of the borough.

This bond is payable solely from assessments levied against properties specially benefited within the borough local improvement district known as (LID Name) (Road Paving)/(Noncontiguous)(Natural Gas)/(Water) Local Improvement District No. (LID No.) 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 - , (Year).

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

Section 8. Addition of Exhibit A to Ordinances. Exhibit A attached hereto is hereby attached to and made a part of each of the Ordinances as Exhibit A to each of the Ordinances.

Section 9. Ordinances Confirmed. All provisions of the Ordinances, as amended by this ordinance, are hereby confirmed and shall remain in full force and effect.

Section 10. Replacement of Bonds. The borough shall issue replacement Bonds that incorporate the provisions of the amendments to Section 15 of each of the Ordinances made by Section 6 of this ordinance.

Section 11. 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 attorney, the acting borough attorney 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, the Ordinances and this ordinance.

Section 12. Ratification. All actions heretofore taken by the mayor, manager, finance director, borough attorney and borough clerk relating to the amendment of the Ordinances and the issuance of replacement Bonds are hereby in all respects ratified and confirmed.

Section 13. Severability. If any one or more of the provisions of this ordinance 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 ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the aforementioned bonds.

Section 14. Effective Date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this 17 day of August, 2016.



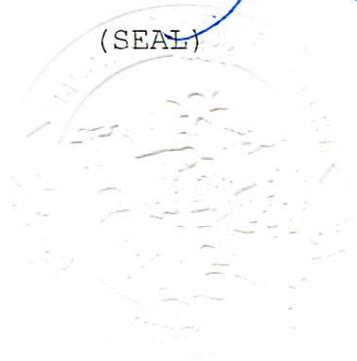
VERN HALTER, Borough Mayor

ATTEST:

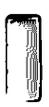


LONNIE R. MCKECHNIE, CMC, Borough Clerk

(SEAL)



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



Attachment A

Ordinance No.	Date	Local Improvement District
11-026	03/15/11	Ashwood Loop Area Road Paving LID No. 438
12-018	02/21/12	Trimotor & Fairchild Streets & Portion of Alix Drive Natural Gas LID No. 450
12-020	02/21/12	Fairview Acres & Lupine Lane Acres Add #1 Area Natural Gas LID No. 453
12-024	02/21/12	North Edenfield Road Paving LID No. 443
12-028	02/21/12	Leota Street Road Paving LID No. 445
12-030	02/21/12	Apryl Lane & S. France Court Road Paving LID No. 452
12-139	11/06/12	Eagle's Bluff, Bella Haven & Bench View Natural Gas LID No. 465
12-141	11/06/12	South Laurie Lane Natural Gas LID NO. 468
12-143	11/06/12	South Alan's Drive, West Dagg Drive, and South Rolf Circle Natural Gas LID No. 471
12-145	11/06/12	North Carousel Way Natural Gas LID No. 472
12-147	11/06/12	Portion of Gold Rush Estates Natural Gas LID No. 479
12-149	11/06/12	Pamela Drive Natural Gas LID No. 482
13-014	02/05/13	Shadowmere Estates Phase I Natural Gas LID No. 481
13-007	02/05/13	Homestead Estates and On The Iditarod Natural Gas LID No. 460
13-009	02/05/13	Raven's Hill and Norman Langes Holiday Natural Gas LID No. 470
13-011	02/05/13	South Starlight Lane Natural Gas LID No. 475

Ordinance No.	Date	Local Improvement District
13-016	02/05/13	East Doc McKinley and South Jessie Jo Place Natural Gas LID No. 486
13-053	05/21/13	Creekshore Estates and Portion of Brookridge Estates Road Paving LID No. 457
13-055	05/21/13	West Metcalf Circle Road Paving LID No. 466
14-029	04/15/14	Rose Glenn Estates Natural Gas LID No. 477
14-031	04/15/14	West Caroline's Circle Natural Gas LID No. 494
14-033	04/15/14	West Demaree Circle Natural Gas LID No. 501
14-035	04/15/14	Kaye Estates Phase I and II Natural Gas LID No. 506
14-037	04/15/14	West Klutina Natural Gas LID No. 511
14-127	10/21/14	Wagner and Blue Mountain Ski Village Natural Gas LID No. 510
14-128	10/21/14	South Viewport Way & West Overview Circle Road Paving LID No. 498
14-140	11/19/14	Dusk Lake Estates Natural Gas LID No. 532
14-143	11/19/14	West Carpenter Lake Road Natural Gas LID No. 542
15-041	05/27/15	Field of View Park Subdivision Community Water LID No. 476
15-043	05/27/15	South Big Lake Road and West Susitna Parkway Natural Gas LID No. 508
15-045	04/21/15	East Carney Road Natural Gas LID No. 534
15-124	11/03/15	North Sorrelwood Natural Gas LID No. 509

Ordinance No.	Date	Local Improvement District
15-126	11/03/15	Dawn Lake Estates Natural Gas LID No. 546
15-128	11/03/15	East Carney Road No. 2 Noncontiguous Natural Gas LID No. 553
15-130	11/03/15	Portion of Wagner Subdivision Noncontiguous Natural Gas LID No. 556
15-132	11/03/15	Birch Hills Estates Noncontiguous Natural Gas LID No. 560

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 and in compliance with the securities laws of the United States of America, 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.

The persons and entities identified in clauses (i) and (ii) of the foregoing sentence shall be referred to as the "Eligible Transferee(s)." Notwithstanding the foregoing, if the principal amount of the outstanding Bonds is less than \$250,000, the Bonds may not be transferred to any Eligible Transferee without the prior written consent of the Borough.