

**PETERSBURG BOROUGH
ORDINANCE #2024-24**

**AN ORDINANCE OF THE BOROUGH ASSEMBLY OF PETERSBURG, ALASKA,
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE
BOROUGH, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000, TO PAY
THE COSTS OF PUBLIC SCHOOL CAPITAL IMPROVEMENTS; FIXING CERTAIN
DETAILS OF SUCH BONDS; AUTHORIZING THE SALE OF SUCH BONDS;
AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF CERTAIN
DOCUMENTS IN CONNECTION THEREWITH; PLEDGING THE FULL FAITH AND
CREDIT OF THE BOROUGH TO THE PAYMENT THEREOF; AND PROVIDING FOR
RELATED MATTERS**

WHEREAS, the Petersburg Borough, Alaska (the "Borough") is a home rule borough and is authorized to take the actions set forth in this ordinance; and

WHEREAS, on July 15, 2024, the Borough Assembly enacted Ordinance No. 2024-12 the ("Ballot Ordinance"), authorizing the issuance of general obligation bonds of the Borough (the "Bonds") in the principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), in one or more series, for purposes of financing public school capital improvements (the "Project"); and

WHEREAS, pursuant to the Ballot Ordinance, the Borough Assembly directed that a proposition ratifying the issuance of the Bonds be submitted to the qualified voters of the Borough for approval or rejection at a regular municipal election to be held on October 1, 2024; and

WHEREAS, at such election, the qualified voters of the Borough ratified the issuance of the Bonds; and

WHEREAS, the Borough Assembly deems it necessary and desirable and in the public interest to authorize the issuance of the Bonds in accordance with the terms and conditions set forth in this ordinance; and

WHEREAS, the Borough Assembly finds it is necessary and appropriate to delegate to each of the Borough Manager and Borough Finance Director the authority to determine the principal installments, interest rates and other details of the Bonds, and to determine other matters pertaining to the Bonds that are not provided for in this ordinance; and

WHEREAS, the Alaska Municipal Bond Bank is expected to purchase the Bonds pursuant to the terms of a loan agreement;

**NOW, THEREFORE, BE IT ENACTED BY THE BOROUGH ASSEMBLY OF
PETERSBURG BOROUGH, ALASKA, that:**

Section 1. Definitions. In addition to the definitions specified elsewhere in this Ordinance, the following terms shall have the following meanings in this Ordinance:

- (a) “Authorized Denomination” means, unless otherwise specified in the Loan Agreement, \$5,000 or any integral multiple thereof within a maturity of a series of the Bonds.
- (b) “Authorized Officer” means each of the Borough Manager, the Borough Finance Director, and the Borough Clerk.
- (c) “Ballot Ordinance” shall have the meaning set forth in the recitals to this Ordinance.
- (d) “Beneficial Owner” means, with respect to the Bonds, the owner of any beneficial interest in the Bonds.
- (e) “Bonds” means each of the bonds of the Borough, the issuance and sale of which are authorized herein as the evidence of the indebtedness referred to in Ballot Ordinance.
- (f) “Bond Bank” means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.
- (g) “Bond Bank Bonds” means the general obligation bonds to be issued by the Bond Bank, a portion of the proceeds of which will be used to purchase each series of Bonds.
- (h) “Bond Register” means the registration books maintained by the Paying Agent as registrar, which shall include the names and addresses of the owners or nominees of Registered Owners.
- (i) “Borough” means Petersburg Borough, a home rule borough duly organized and existing under the laws of the State of Alaska.
- (j) “Code” means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.
- (k) “Cost” means the cost of planning, designing, site preparation, construction, acquiring, renovating, installing, and equipping the Project, including interest on the Bonds during the period of planning, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Project, the cost whether incurred by the Borough or by another of field surveys and advance planning undertaken in connection with the Project properly allocable to the Project, the cost of acquisition of any land or interest therein required as the site or sites of the Project or for use in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance incurred in connection with the Project prior to or during construction thereof, all related direct administrative and inspection expenses whether incurred by the Borough or by another in connection with the Project prior to or during construction thereof and

allocation of portions of direct costs of the Borough, legal fees, costs of issuance of the Bonds by the Borough, including financing charges and fees and expenses of bond counsel, financial advisors, and consultants in connection therewith, the cost of any bond insurance premium, the cost of audits, the cost of all machinery, apparatus, and equipment, the cost of engineering, architectural services, designs, plans, specifications, and surveys, estimates of cost, the reimbursement of all money advanced from whatever source for the payment of any item or items of cost of the Project, and all other expenses necessary or incidental to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incidental to the acquisition and development of the Project, the financing thereof, and the putting of the same in use and operation.

- (l) “Government Obligations” means direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.
- (m) “Loan Agreement” means the loan agreement between the Borough and the Bond Bank relating to the purchase of the Bonds, specifying the matters required to be set forth therein by this ordinance, which offer is authorized to be accepted by the Borough pursuant to this ordinance, if consistent with the provisions of this ordinance.
- (n) “Ordinance” means this ordinance of the Assembly.
- (o) “Owner” means, with respect to the Bonds, the Registered Owner or Beneficial Owner of the Bonds.
- (p) “Paying Agent” means the entity or official of the Borough appointed as such to perform the duties of paying agent, registrar, transfer agent, and authentication agent pursuant to this Ordinance and its successors.
- (q) “Paying Agent Agreement” means the agreement, if any, between the Borough and the Paying Agent specifying the terms and conditions under which the Paying Agent will perform its duties.
- (r) “Project” means public school capital improvements located in the Borough.
- (s) “Record Date” means, (i) with respect to an interest payment date, unless otherwise specified in the Loan Agreement, the close of business of the Paying Agent on the 15th day of the month preceding an interest payment date; and (ii) with respect to a prepayment or redemption date, the close of business of the Paying Agent on the date on which the Paying Agent prepares the notice of prepayment or redemption.
- (t) “Registered Owner,” with respect to Bonds, means the person named as the registered owner of the Bonds in the Bond Register.

- (u) “Rule” means Rule 15c2-12 of the United States Securities and Exchange Commission, promulgated under Section 15(c)(2) of the Securities and Exchange Act of 1934.
- (v) “Term Bonds” means Bonds designated for mandatory sinking fund prepayment or redemption.

Section 2. Authorization of Bonds; Purpose of Issuance. For the purpose of providing the funds required to pay a portion of the Costs of the Project, the Borough hereby authorizes and determines to issue and to sell the Bonds in the aggregate principal amount of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000). The Bonds shall be designated “Petersburg Borough, Alaska General Obligation Public School Bond,” with such additional series, year, and other designation as the Borough Manager or the Borough Finance Director may fix and determine. 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 purpose of the Borough in accordance with the constitution and the statutes of the State of Alaska and the Charter and Code of the Borough to incur the indebtedness and issue the Bonds as referred to in Ballot Ordinance.

Section 3. Obligation of Borough. 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 ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal of and interest on the Bonds as the same become due and payable.

Section 4. Dates, Maturities, Interest Rates, and Other Details of the Bonds. Bonds shall be dated the date of its initial delivery to the purchaser, shall be issued in an Authorized Denomination, and shall be numbered separately in such manner and with any additional designation as the Paying Agent deems necessary for purposes of identification.

Interest on the Bonds shall be payable on the dates specified in the Loan Agreement, and principal installments of the Bonds (whether at maturity or upon prior prepayment or redemption) shall be payable in each of the years and in the amounts specified in the Loan Agreement.

Unless otherwise specified in the Loan Agreement, interest on the Bonds shall be computed on the basis of a 360-day year composed of twelve 30-day months. The the Manager and the Finance Director of the Borough are each individually authorized to fix and determine the principal amount, optional and mandatory sinking fund prepayment and redemption provisions, maturity dates, principal amounts per maturity, payment dates, and the rates of interest to be borne by the Bonds, provided that (i) the true interest cost of the Bonds shall not exceed 4.95% unless approved by resolution of the Borough; and (ii) all of the Bonds shall mature on or before December 1, 2044.

Section 5. Place and Medium of Payment. Both principal of and interest on the Bonds shall be 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. If the Bonds are registered in the name of the Bond Bank, payments of principal and interest thereon shall be made as provided in the Loan Agreement. If the Bonds are not registered in name of the

Bond Bank, payment of principal of and interest on the Bonds shall be made to the Registered Owner at the address appearing on the Bond Register on the Record Date by check or draft mailed by first-class mail on the payment date, or, at the request and sole expense of a Registered Owner made on or prior to the Record Date, by wire transfer to a bank account in the United States on the payment date, and payment of the final principal amount of the Bonds shall be made at the office of the Paying Agent upon presentation and surrender of the Bonds by the Registered Owner to the Paying Agent.

Section 6. Prepayment, Redemption, and Purchase of Bond. The Loan Agreement may provide that principal installments of the Bonds stated to mature in one or more years are not subject to prepayment or redemption at the option of the Borough prior to maturity, and that principal installments of the Bonds stated to mature in one or more years are subject to prepayment or redemption at the option of the Borough prior to their stated maturity dates, at any time on or after the date specified in the Loan Agreement, as a whole or in part, at the price or prices specified in the Loan Agreement, expressed as a percentage of the principal amount thereof, plus accrued interest to the date fixed for prepayment or redemption.

The Loan Agreement may provide that principal installments of the Bonds stated to mature in one or more years are Term Bonds and, if not previously prepaid or redeemed at the option of the Borough, defeased, or purchased by the Borough for cancellation, are to be called for mandatory sinking fund prepayment or redemption prior to their stated maturity dates, on the dates and in the amounts specified in the Loan Agreement, at a prepayment or redemption price equal to 100 percent of the principal amount to be prepaid or redeemed, without premium, plus accrued interest to the date fixed for prepayment or redemption.

All or a portion of the principal amount of the Bonds that are subject to optional or mandatory prepayment or redemption may be prepaid or redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of the Bonds is prepaid or redeemed, then, upon surrender of the Bonds to the Paying Agent, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same interest rate, maturity, and series, in any Authorized Denomination, in the aggregate principal amount to remain outstanding.

Unless otherwise specified in the Loan Agreement, if less than all of the outstanding Bonds are prepaid or redeemed at the option of the Borough, the Borough shall select the maturities to be prepaid or redeemed, and if less than all of the outstanding Bonds of a maturity are to be prepaid or redeemed, the Paying Agent shall select the principal installments of the Bonds to be prepaid or redeemed randomly in such manner as the Paying Agent shall determine.

Notice of prepayment or redemption of the Bonds, unless waived by the Registered Owner of the Bonds to be prepaid or redeemed, or unless otherwise specified in the Loan Agreement, shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the date fixed for prepayment or redemption by first-class mail, postage prepaid, to the Registered Owner of the Bonds to be prepaid or redeemed at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by the Owner of any Bonds. In addition, notice of prepayment or redemption shall be mailed or sent electronically by the Paying Agent and within the same period to the Municipal Securities Rulemaking Board and to such other persons and with such additional information as an Authorized Officer may determine, but such

additional notice shall not be a condition precedent to the prepayment or redemption of any Bonds.

Unless otherwise specified in the Loan Agreement, in the case of an optional prepayment or redemption, the notice of prepayment or redemption may state that the Borough retains the right to rescind the prepayment or redemption notice and the optional prepayment or redemption of those principal installments of the Bonds by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for prepayment or redemption. Any notice of optional prepayment or redemption that is so rescinded shall be of no effect, and any Bonds for which a notice of optional prepayment or redemption has been so rescinded shall remain outstanding. The Paying Agent shall give prompt notice to the affected Owners that the prepayment or redemption was rescinded and that the principal installments of the Bonds called for prepayment or redemption and not so paid remain outstanding.

If notice of prepayment or redemption is given for any Bonds as provided in this Section and is not rescinded, such Bonds shall become due and payable on the date fixed for prepayment or redemption at the price specified in the notice of prepayment or redemption, and upon the deposit of money with the Paying Agent in the amount necessary to effect the prepayment or redemption, such Bonds shall cease to bear interest on the date fixed for prepayment or redemption.

All principal installments due under the Bonds which are prepaid, redeemed, or purchased by the Borough pursuant to this Section shall be canceled.

Section 7. Failure To Pay Principal Installments Due Under the Bonds. Unless otherwise specified in the Loan Agreement, if a principal installment due under the Bonds is not paid when properly presented at its maturity or date fixed for prepayment or redemption, the Borough shall be obligated to pay interest on the principal installments due under the Bonds at the same rate provided in the Bonds from and after its maturity or date fixed for prepayment or redemption until the Bonds, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit with the Paying Agent and the Bonds have been called for payment by giving notice of that call to the Registered Owner.

Section 8. Paying Agent. The Borough Manager of the Borough is hereby authorized and directed to appoint a Paying Agent, which shall be qualified to perform its duties, and which may be the Finance Director or other officer of the Borough. The Paying Agent shall keep, or cause to be kept, the Bond Register for the registration and transfer of the Bonds, which shall be open to inspection by the Borough at all times. The Paying Agent is authorized, on behalf of the Borough, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance, and to serve as the Borough's paying agent for the Bonds. The Paying Agent shall be responsible for its representations contained in the Paying Agent's Certificate of Authentication on each Bond.

Section 9. Registration of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The Bond Register shall contain the name and mailing address of the Registered Owner of the Bonds and the principal amount and number of the Bonds held by each Registered Owner. The Borough and the Paying Agent, each in its discretion, may deem and treat the Registered Owner of the Bonds as the absolute owner thereof for all purposes, and neither the Borough nor the Paying Agent shall

be affected by any notice to the contrary. The Bonds may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of any Bonds at the office of the Paying Agent, together with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Paying Agent, duly executed by the Registered Owner or its duly authorized attorney, the Borough shall execute and the Paying Agent shall deliver an equal aggregate principal amount of Bonds of the same interest rate, maturity, and series of any Authorized Denominations, subject to such reasonable regulations as the Paying Agent 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. Any Bonds surrendered for transfer or exchange shall be canceled by the Paying Agent. The Borough covenants that, until the Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of the Bonds that comply with the provisions of Section 149 of the Code.

Section 10. Form of Bonds. The Bonds shall be in substantially the following form, subject to the provisions of the Loan Agreement, and with such changes as the Manager of the Borough approves:

No. _____ \$ _____

UNITED STATES OF AMERICA

STATE OF ALASKA

PETERSBURG BOROUGH

GENERAL OBLIGATION PUBLIC SCHOOL BOND, 20XX

Maturity Date: _____ Interest Rate: _____ [CUSIP No.:]

Registered Owner:

Principal Amount:

The Petersburg 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 set forth above (the "Registered Owner"), or its registered assigns, the principal amount set forth above in accordance with the installment payment schedule set forth below (unless prepaid prior thereto as provided herein) 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, on each _____ 1 and _____ 1, commencing _____ 1, 20__, at the interest rate per annum set forth below.

Year of Principal
Installment Payment
(_____)

Principal Installment
Amount

Interest Rate

Payment of principal hereof and interest hereon shall be made to the Registered Owner at the address appearing on the Bond Register on the Record Date by check or draft mailed by first-class mail on the payment date, or, at the request and sole expense of a Registered Owner

made on or prior to the Record Date, by wire transfer to a bank account in the United States on the payment date, and payment of the final principal amount hereof shall be made at the office of the Paying Agent upon presentation and surrender of this bond by the Registered Owner to the Paying Agent. Notwithstanding the foregoing, so long as the Alaska Municipal Bond Bank (the "Bank") is the Registered Owner of this bond, payments of principal and interest shall be made as provided in the Loan Agreement between the Bank and the Borough (the "Loan Agreement"). Interest on this bond shall be computed on the basis of a 360-day year composed of twelve 30-day months.

This bond is one of the General Obligation Public School Bonds of the Borough (the "Bonds"), together aggregating \$_____ in principal amount and constituting bonds authorized for the purpose of providing the funds required to pay public school capital improvements, and is issued under Ordinance #2024-24 of the Borough titled:

AN ORDINANCE OF THE BOROUGH ASSEMBLY OF PETERSBURG, ALASKA, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE BOROUGH, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000, TO PAY THE COSTS OF PUBLIC SCHOOL CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SUCH BONDS; AUTHORIZING THE SALE OF SUCH BONDS; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; PLEDGING THE FULL FAITH AND CREDIT OF THE BOROUGH TO THE PAYMENT THEREOF; AND PROVIDING FOR RELATED MATTERS.

(the "Ordinance").

This bond is subject to prepayment or redemption prior to the maturity date as provided in the Ordinance.

This bond is transferable as provided in the Ordinance, (i) only upon the Bond Register 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. The Borough and the Paying Agent 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 prepayment or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This bond is a direct and general obligation of the Borough, and the full faith and credit of the Borough are pledged to the payment of the principal hereof and interest hereon. The Borough has irrevocably pledged and covenanted to levy ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal hereof and interest hereon as the same become due and payable.

Reference is hereby made to the Ordinance and any ordinance supplemental thereto for a description of the rights of the Registered Owner of this bond and of the rights and obligations of the Borough thereunder, to all of the provisions of which the Registered Owner of this bond, by acceptance hereof, assents and agrees.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things required by the constitution or statutes of the State of Alaska or the Borough Charter or the ordinances or resolutions 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 such constitution, statutes, charter, ordinances, or resolutions.

IN WITNESS WHEREOF, PETERSBURG BOROUGH, ALASKA, has caused this bond to be signed in its name and on its behalf by its Manager, and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the _____ day of _____, _____.

PETERSBURG BOROUGH, ALASKA

/specimen/
Borough Manager

ATTEST:

/specimen/
Borough Clerk

Section 11. Execution of Bonds. The Bonds shall be executed in the name of the Borough by the Borough Manager, and the corporate seal of the Borough shall be impressed or otherwise reproduced thereon and attested by the Borough Clerk. The execution of the Bonds 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 Bonds or shall not have held office on the date of the Bonds. Only Bonds bearing a Certificate of Authentication in substantially the following form, manually signed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance: "Certificate of Authentication. This bond is one of the fully registered Petersburg Borough, Alaska, General Obligation Public School Bond, 20XX described in the Ordinance." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of this Ordinance.

Section 12. Mutilated, Destroyed, Stolen, or Lost Bonds. Upon surrender for cancellation to the Paying Agent of mutilated Bonds, the Borough shall execute and deliver a new Bond of the same interest rate, principal amount, maturity, and series. Upon filing with the Paying Agent 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 indemnification satisfactory to it, the Borough shall execute and deliver a new Bond of the same interest rate, principal amount, maturity, and series. The person requesting the execution and delivery of a new Bond pursuant to 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 13. Disposition of Sale Proceeds of the Bonds. The Borough Finance Director is hereby authorized and directed to create a fund designated as the "Public School 2025"

for the Bonds to be used for the payment of Costs of the Project. The proceeds of the Bonds (except for accrued interest, if any, which shall be applied to payment of interest on the Bonds) shall be deposited into the Public School 2025 Fund to be used to pay costs of issuing the Bonds and Costs of the Project; provided however, that any bond premium exceeding the costs of issuing the Bonds shall be deposited into the fund for payment of principal and interest on the Bonds, or for other lawfully authorized purposes.

Section 14. 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 interest on the Bonds to be excluded from gross income for federal income tax purposes. The Borough covenants that it will make no use 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. The Borough covenants that it will not take or permit any action what would cause the Bonds to be a “private activity bonds” as defined in Section 141 of the Code.

The Borough covenants to comply with the tax certificate executed upon the issuance of the Bonds 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 Bonds.

Section 15. Sale of the Bond; Loan Agreement. The sale by the Borough to the Bond Bank of not to exceed \$3,500,000 in aggregate principal amount of the Bonds, as specified in the Loan Agreement and this Ordinance, is hereby authorized and approved. The sale proceeds of the Bonds shall be applied to pay Costs of the Project and shall be deposited in the Public School 2025 Fund of the Borough for such purpose.

The Borough authorizes the Borough Manager to negotiate, execute, and deliver a Loan Agreement, in a form consistent with the provisions of this Ordinance. The execution by the Borough Manager any such Loan Agreement or shall be conclusively evidenced by such official's execution and delivery of such document.

The Manager and Finance Director of the Borough are each authorized to execute and deliver a continuing disclosure undertaking if required by the purchaser of the Bonds to comply with Rule 15c2-12.

Section 16. Authority of Officers. Each Authorized Officer is hereby authorized and directed to execute such documents, agreements, and certificates and to do and perform such things and determine such matters necessary and desirable for the Borough to carry out its obligations under the Bonds, the Loan Agreement, and this Ordinance.

Section 17. Amendatory and Supplemental Ordinances.

(a) The Borough Assembly from time to time and at any time may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Borough in this Ordinance other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Borough; or

(ii) to make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provision contained in this Ordinance or in regard to matters or questions arising under this Ordinance as the Borough Assembly may deem necessary or desirable and not inconsistent with this Ordinance and which shall not materially adversely affect the interest of the Registered Owners.

Unless otherwise specified in the Loan Agreement, any such supplemental ordinance may be adopted without the consent of any Registered Owner, notwithstanding any of the provisions of subsection (b) of this Section.

(b) With the consent of the Registered Owners of a majority in aggregate principal amount of the affected Bonds at the time outstanding, the Borough Assembly may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(i) extend the stated maturity date of any of the Bonds, or reduce the amount or change the payment date of any principal installment, or reduce the rate of interest thereon, or extend the stated dates for payments of such interest, or reduce any prepayment or redemption price, without the consent of the Registered Owner of Bonds so affected; or

(ii) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental ordinance, without the consent of all Registered Owners of the Bonds then outstanding.

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

(c) Upon the adoption of any supplemental ordinance under this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Ordinance of the Borough and all Registered Owners shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) Bonds executed and delivered after the execution of any supplemental ordinance adopted under this Section may bear a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Bonds modified so as to conform, in the opinion of the Borough, to any modification of this Ordinance contained in any such supplemental ordinance may be prepared by the Borough and delivered without cost to the Registered Owners, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 18. Defeasance. Payment of any Bonds may be provided for by the irrevocable deposit in trust of cash, noncallable Governmental Obligations, or any combination thereof. The cash and the maturing principal and interest income on such Government Obligations, if any, must be sufficient and available without reinvestment to pay when due the principal, whether at maturity or upon fixed prepayment or redemption dates, of and interest on

such Bonds. The cash and Government Obligations shall be held irrevocably in trust for the Registered Owners of such Bonds solely for the purpose of paying the principal or prepayment or redemption price of and interest on such Bonds as the same shall mature or become payable upon prepayment or redemption, and, if applicable, upon the irrevocable giving of (or irrevocable provision for the giving of) notice of prepayment or redemption and notification of all Registered Owners of affected Bonds that the deposit required by this Section has been made and that such Bonds are deemed to be paid in accordance with this Ordinance. Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed outstanding hereunder. The obligation of the Borough in respect of such Bonds shall nevertheless continue, but the Registered Owners thereof shall thereafter be entitled to payment only from the cash and Government Obligations deposited in trust to provide for the payment of such Bonds.

Section 19. No Recourse. 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 Borough 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 the State of Alaska or of any political subdivision thereof, except the Borough.

Section 20. 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 Bonds.

Section 21. Effective Date. This Ordinance shall take effect immediately from and after its passage and approval by the Borough Assembly.

PASSED AND APPROVED BY THE PETERSBURG BOROUGH ASSEMBLY,
PETERSBURG, ALASKA, THIS ____ day of _____, 2025.

PETERSBURG, ALASKA

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
Published:
Effective: