

## BOND PURCHASE AGREEMENT

MATANUSKA-SUSITNA BOROUGH, ALASKA

\$\_\_\_\_\_ Taxable General Obligation School Refunding Bonds, 2019 Series A  
\$\_\_\_\_\_ Taxable General Obligation Transportation Refunding System Bonds, 2019 Series B

December \_\_\_, 2019

Borough Assembly  
Matanuska-Susitna Borough  
350 East Dahlia Avenue  
Palmer, Alaska 99645

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the “*Underwriter*” or “*RBC CM*”) acting on its own behalf offers to enter into the following agreement (this “*Agreement*”) with Matanuska-Susitna Borough, Alaska (the “*Borough*”) which, upon the Borough’s written acceptance of this offer, will be binding upon the Borough and upon the Underwriter. This offer is made subject to the Borough’s written acceptance hereof on or before 8:00 p.m., Eastern Time, on December \_\_\_, 2019, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Borough at any time prior to the acceptance hereof by the Borough. The Underwriter has been duly authorized to execute this Agreement and to act hereunder. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Official Statement (as defined herein).

**1. Purchase and Sale of the Bonds.** Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Borough, and the Borough hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Borough’s \$\_\_\_\_\_ aggregate principal amount of Taxable General Obligation School Refunding Bonds, 2019 Series A (the “*2019A Bonds*”) and \$\_\_\_\_\_ aggregate principal amount of Taxable General Obligation Transportation Refunding System Bonds, 2019 Series B (the “*2019B Bonds*” and together with the 2019A Bonds, the “*Bonds*”).

The dated date, maturities, redemption provisions and interest rates per annum of the Bonds are set forth in Schedule I hereto. The 2019A Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of Ordinance Serial No. 19-121 adopted by the Borough Assembly of the Borough on November 19, 2019 (the “*Bond Ordinance*”). The 2019B Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Bond Ordinance.

The purchase price of the Bonds shall be \$\_\_\_\_\_, plus interest accrued on the Bonds from the dated date of the Bonds to the Closing Date (as hereinafter defined). The aggregate purchase price is allocated by series of Bonds as follows

	Series A	Series B	Total
Principal Amount	\$	\$	\$
[Plus/Minus]: [Net] Original Issue			
[Premium/Discount]			
Less: Underwriting Discount			
Purchase Price	\$	\$	\$

**2. Public Offering.** The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices (or prices corresponding to the yields) set forth on the inside cover of the Official Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than such offering prices.

**3. Liquidated Damages.** In the event that the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds at the Closing as herein provided, the parties hereto agree that the damages to the Borough shall be fixed at an amount equal to One Percent (1%) of the aggregate principal amount of the Bonds (the “*Liquidated Amount*”). Upon such failure of the Underwriter to accept and pay for the Bonds, the Underwriter shall be obligated to pay to the Borough upon demand in immediately available funds the Liquidated Amount as full liquidated damages, and not as a penalty, for such failure and for any defaults hereunder on the part of the Underwriter, and no party will have any further rights against the other hereunder. The Underwriter and the Borough understand that in such event the Borough’s actual damages may be greater or may be less than the Liquidated Amount. Accordingly, the Underwriter hereby waives any right to claim that the Borough’s actual damages are less than such Liquidated Amount and the Borough’s acceptance of this offer shall constitute a waiver of any right the Borough may have to damages in excess of the Liquidated Amount from the Underwriter.

#### **4. The Official Statement.**

(a) The Borough has heretofore distributed the Preliminary Official Statement dated December \_\_, 2019 with respect to the Bonds (the “*Preliminary Official Statement*”). The Preliminary Official Statement, as revised to reflect the terms of sale of the Bonds, is herein called the “Official Statement.”

(b) The Preliminary Official Statement has been prepared by the Borough for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Borough hereby represents and warrants that the Preliminary Official Statement is hereby deemed final by the Borough as of its date, except for the omission

of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”).

(c) The Borough represents that the Borough Assembly has reviewed and approved the information in the Official Statement and hereby authorizes the Official Statement to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Borough shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Borough’s acceptance of this Agreement (but, in any event, not later than within seven business days after the Borough’s acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Borough hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the “end of the underwriting period” for the Bonds), the Borough becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Borough will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Borough will forthwith prepare and furnish, at the Borough’s own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Borough shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the Borough can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

**5. Representations, Warranties, and Covenants of the Borough.** The Borough hereby represents and warrants to and covenants with the Underwriter that:

(a) The Borough is a municipal corporation of the State of Alaska (the “*State*”) duly created, organized and existing under the laws of the State, and has full legal right, power and authority under Alaska Statutes Chapter 29.47 (the “*Act*”), and at the date of the Closing will have full legal right, power and authority under the Act to adopt the Bond Ordinance and under the Act and the Bond Ordinance (i) to enter into, execute and deliver this Agreement, the Refunding Trust Agreement and the Continuing Disclosure Undertaking (the “*Undertaking*”) as defined in Section 7(h)(3) hereof and all documents required hereunder and thereunder to be executed and delivered by the Borough (this Agreement, the Bond Ordinance, the Refunding Trust Agreement, the Undertaking and the other documents referred to in this clause are hereinafter referred to as the “*Borough Documents*”), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Borough Documents and the Official Statement, and the Borough has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Borough Documents as they pertain to such transactions;

(b) By all necessary official action of the Borough prior to or concurrently with the acceptance hereof, the Borough has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Ordinance and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Borough of the obligations on its part, contained in the Bonds and the Borough Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, and the Borough Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Borough in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Borough Documents constitute legal, valid and binding obligations of the Borough, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Ordinance and this Agreement, will constitute legal, valid and binding obligations of the Borough entitled to the benefits of the Bond Ordinance and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Ordinance will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge it purports to create as set forth in the Bond Ordinance;

(d) The Borough is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Borough is a party or

to which the Borough is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Borough under any of the foregoing; and the execution and delivery of the Bonds, the Borough Documents and the adoption of the Bond Ordinance and compliance with the provisions on the Borough's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Borough is a party or to which the Borough is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borough to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Borough of its obligations under the Borough Documents, and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds and the Bond Ordinance conform to the descriptions thereof contained in the Official Statement under the captions "INTRODUCTION – Authorization and Purposes" and "– Security" and "DESCRIPTION OF THE 2019 BONDS;" the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the caption "INTRODUCTION – Sources and Uses of Funds" and "– Refunding Plan" and the Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE;"

(g) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Borough after due inquiry, threatened against the Borough, affecting the existence of the Borough or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Ordinance or in any way contesting or affecting the validity or enforceability of the Bonds, the Borough Documents, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Borough or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and delivery of the Borough Documents, nor, to the best knowledge of the Borough, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Borough Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Borough's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The Borough will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance;

(l) The Borough will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Borough will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Borough of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding the Borough, in the Official Statement fairly present the financial position and results of the Borough as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Borough. Other than as disclosed in the Official Statement, the Borough does not believe that there has been any material adverse change in the financial condition of the Borough since June 30, 2018, which is the latest date of which the audited financial information is available. The Borough is not

a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Borough, would have a materially adverse effect on the financial condition of the Borough;

(n) Prior to the Closing the Borough will not offer or issue any bonds, notes or other obligations for borrowed money without the prior approval of the Underwriter; and

(o) Any certificate, signed by any official of the Borough authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Borough to the Underwriter as to the statements made therein.

## **6. Closing.**

(a) At 9:00 a.m., Pacific Time, on December \_\_, 2019, or at such other time and date as shall have been mutually agreed upon by the Borough and the Underwriter (the "*Closing*"), the Borough will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by wire transfer payable in immediately available funds to the order of the Borough. Payment for the Bonds as aforesaid shall be made at the offices of the [Underwriter in San Francisco, California], or such other place as shall have been mutually agreed upon by the Borough and the Underwriter.

(b) Delivery of the Bonds shall be made to the Paying Agent as agent of The Depository Trust Company, New York, New York. The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Ordinance, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

**7. Closing Conditions.** The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Borough contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Borough of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Borough of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Borough of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Borough contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Borough shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Borough Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Borough required to be taken by the Borough shall be performed in order for Bond Counsel and other counsel to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Bond Ordinance shall have been duly adopted by the Borough and the Borough shall have duly executed and delivered and the Bond Registrar shall have duly authenticated the Bonds;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Borough, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The Borough shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(h) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Borough by its Finance Director, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Ordinance with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The Undertaking of the Borough which satisfies the requirements of section (b)(5)(i) of the Rule;

(4) The approving legal opinion, dated the date of the Closing, of Foster Pepper PLLC, Bond Counsel to the Borough, in substantially the form attached to the Official Statement, and addressed to the Borough and the



Underwriter or a manually executed copy of such opinion together with a letter of Bond Counsel dated the date of the Closing and addressed to the Underwriter, to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter;

(5) A supplemental opinion of Bond Counsel addressed to the Underwriter, substantially to the effect that:

(i) the Bond Ordinance has been duly adopted by, and the other Borough Documents have been duly executed and delivered by, the Borough, and each of the Borough Documents constitutes a binding agreement in accordance with its terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights;

(ii) the distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the Borough;

(iii) the Bonds are exempt securities under the Securities Act of 1933, as amended (the "*1933 Act*"), and the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*") and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Bond Ordinance under the Trust Indenture Act;

(iv) the statements and information contained in the Official Statement under the subcaptions "Authorization and Purposes," and "Security" and "Refunding Plan" under the caption "INTRODUCTION" and under the captions "DESCRIPTION OF THE 2019 BONDS," "CONTINUING DISCLOSURE," "TAX MATTERS," "ERISA CONSIDERATIONS" and in Appendix B to the Official Statement are fair and accurate statements or summaries of the matters therein set forth;

(v) based upon their participation in the preparation of the Official Statement as Bond Counsel and (except as expressly set forth in (iv) above), without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement and except for financial and statistical statements and data and statements relating to DTC or its book-entry system included therein, as to which no view need be expressed, no information came to the attention of the attorneys providing legal services in connection with the issuance of the Bonds that caused such attorneys to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(vi) the levy and collection of the taxes pledged to pay the principal of and interest on the Bonds have been duly authorized by the Borough in accordance with the Constitution and laws of the State.

(6) An opinion, dated the date of the Closing and addressed to the Underwriter, of counsel for the Underwriter, to the effect that:

(i) the Bonds are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act and the Bond Ordinance need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry system, in each case as to which no view need be expressed);

(7) An opinion of the Borough Attorney, addressed to the Underwriter, to the effect that:

(i) there is no litigation or proceeding pending, or to his knowledge after due inquiry threatened, in any way affecting the corporate existence of the Borough, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the right, power and authority of the Borough to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds or the Borough Documents, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Borough or its authority with respect to the Bonds or the Borough Documents; and

(ii) based on the examination made by such counsel, such counsel has no reason to believe that the material in the Official Statement under the caption "Litigation and Regulatory Proceedings" contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(8) A certificate of the Borough, dated the date of Closing and signed by the Borough Manager or the Borough Finance Director, to the effect that (i) the representations and warranties of the Borough contained in this Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (ii) no litigation is pending or, to the signer's knowledge, threatened in any court in any way affecting the existence of the Borough, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the right of the Borough to levy and to collect the taxes pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Ordinance or this Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Borough or its authority with respect to the Bonds, the Bond Ordinance or this Agreement; (iii) the information contained in the Official Statement (other than information relating to The Depository Trust Company as to which no opinion need be expressed) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) since June 30, 2014, there has been no material adverse change in the financial position or results of operations of the Borough whether or not arising from transactions in the ordinary course of business, other than as set forth in the Official Statement; and since such date the Borough has not entered into any transaction or incurred any debt or other liability material as to the Borough, except as set forth in the Official Statement; (v) to the best of the signer's knowledge, no event affecting the Borough has occurred since the date of the Official Statement which should be disclosed in the Official Statement in order to make the statements and information therein not misleading in any material respect; (vi) within the last five years, the Borough has complied with each continuing disclosure undertaking that it has previously entered into pursuant to Rule 15c2-12, except as disclosed in the Preliminary Official Statement; and (vii) the Borough has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(9) A certificate of the Borough signed by the Borough Manager or the Borough Finance Director and in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (i) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (ii) certifying that to the best of her knowledge and belief there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(10) Any other certificates and opinions required by the Bond Ordinance for the issuance thereunder of the Bonds;

(11) A letter from BDO USA, LLP, in which consent is given to the use of their report in the Preliminary Official Statement and Official Statement and to the references made to them in the Preliminary Official Statement and the Official Statement;

(12) A letter from Standard & Poor's Ratings Services confirming that the Bonds are rated "AA+";

(13) A letter from Fitch Ratings confirming that the Bonds are rated "AA;"

(14) A copy of a special report prepared by Causey Demgen & Moore, Inc., independent certified public accountants, addressed to the Borough, Bond Counsel and the Underwriter, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the Government Obligations and uninvested cash on hand under the Refunding Trust Agreement to pay, when due, the principal of and interest on the Prior Bonds, and (ii) the computation of the yield with respect to the Government Obligations and the Bonds; and

(15) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Borough's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Borough on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Borough.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Borough shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Borough shall be under any further obligation hereunder, except that the respective obligations of the Borough and the Underwriter set forth in Sections 5 and 10(d) hereof shall continue in full force and effect.

**8. Role of Underwriter.** Inasmuch as this purchase and sale represents a negotiated transaction, the Borough acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the Borough and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Borough; (ii) the Underwriter has not assumed any advisory

or fiduciary responsibility to the Borough with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Borough on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own account, and (iv) the Borough has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

**9. Termination.** The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

- (a) [reserved];
- (b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under the 1933 Act, or that the Bond Ordinance is not exempt from qualification under the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;
- (c) any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;
- (d) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;
- (e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;
- (f) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially

adversely affecting the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred any materially adverse change in the affairs or financial condition of the Borough, except for changes which the Official Statement discloses are expected to occur;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities;

(j) there shall have occurred any national or international calamity or crisis in the financial markets or otherwise of the United States;

(k) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(l) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Borough's obligations; or

(m) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable federal or State law, governmental authority, board, agency or commission.

## **10. Expenses.**

(a) The Underwriter shall be under no obligation to pay, and the Borough shall pay all expenses incident to the performance of the Borough's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, Preliminary Official Statement, Official Statement and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel, Underwriter's Counsel and Borough Counsel; (iii) the fees and disbursements of the Financial Advisor to the Borough; (iv) the fees and disbursements of any Paying Agent or engineers, accountants, and other experts, consultants or advisers retained by the Borough, if any; and (v) all fees and expenses in connection with obtaining bond ratings. The Borough shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this

Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs.

(b) The Borough acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(c) Except as provided for above, the Underwriter shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds.

(d) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Borough to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Borough shall be unable to perform its obligations under this Agreement, the Borough will reimburse the Underwriter for all out-of-pocket expenses (including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

**11. Notices.** Any notice or other communication to be given to the Borough under this Agreement must be given by delivering the same in writing to the Borough Manager and any notice or other communication to be given to the Underwriter under this Agreement must be given by delivering the same in writing to: RBC Capital Markets, LLC, Two Embarcadero Center, Suite 1200, San Francisco, California 94111, Attention: Tom Yang, Managing Director.

**12. Parties in Interest.** This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Borough and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Borough. All of the Borough's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

**13. Effectiveness.** This Agreement shall become effective upon the acceptance hereof by the Borough and shall be valid and enforceable at the time of such acceptance.

**14. Choice of Law.** This Agreement shall be governed by and construed in accordance with the law of the State.

**15. Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any

other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**16. Business Day.** For purposes of this Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

**17. Section Headings.** Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

**18. Counterparts.** This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

*[Signature Page Follows]*



If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

**RBC CAPITAL MARKETS, LLC**

By \_\_\_\_\_  
Tom Yang  
Managing Director

Accepted at \_\_\_\_\_, Eastern Time, by the  
Matanuska-Susitna Borough, Alaska, this \_\_\_\_  
day of December, 2019.

**MATANUSKA-SUSITNA BOROUGH, ALASKA**

By \_\_\_\_\_  
Cheyenne Heindel  
Finance Director

## Schedule I

### Taxable General Obligation School Refunding Bonds, 2019 Series A

#### BOND TERMS

Principal Amount:     \$ \_\_\_\_\_

Dated Date:            December \_\_\_\_, 2019

Maturity Schedule:

<u>Maturity (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Reoffering Yield</u>	<u>Reoffering Price</u>
	\$	%	%	

#### Optional Redemption:

The 2019A Bonds maturing on or after March 1, 20\_\_ are subject to redemption prior to maturity at the option of the Borough, in such principal amounts and from such maturities of such 2019A Bonds of the same maturity and interest rate as the Borough shall determine, and by lot with respect to 2019A Bonds of the same maturity and interest rate, on any date on or after \_\_\_\_\_ 1, 20\_\_, at a redemption price of par, plus accrued interest to the redemption date.

## Taxable General Obligation Transportation Refunding System Bonds, 2019 Series B

### BOND TERMS

Principal Amount:     \$\_\_\_\_\_

Dated Date:            December \_\_\_, 2019

Maturity Schedule:

<u>Maturity (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Reoffering Yield</u>	<u>Reoffering Price</u>
	\$	%	%	

\_\_\_\_\_

### Optional Redemption:

The 2019B Bonds maturing on or after April 1, 20\_\_\_ are subject to redemption prior to maturity at the option of the Borough, in such principal amounts and from such maturities of such 2019B Bonds of the same maturity and interest rate as the Borough shall determine, and by lot with respect to 2019B Bonds of the same maturity and interest rate, on any date on or after \_\_\_\_\_ 1, 20\_\_\_, at a redemption price of par, plus accrued interest to the redemption date.