



RESOLUTION NO. 07-18

A RESOLUTION OF THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, ALASKA, AMENDING RESOLUTION NO. 07-15 OF THE BOROUGH TO INCREASE THE AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE BOROUGH AUTHORIZED TO BE ISSUED UNDER THAT RESOLUTION TO A PRINCIPAL AMOUNT NOT TO EXCEED TWENTY-TWO MILLION DOLLARS (\$22,000,000).

WHEREAS, pursuant to Resolution No. 07-15 of the Aleutians East Borough (the "Borough"), passed and approved on January 10, 2007, the Borough authorized the issuance of its General Obligation Refunding Bonds, 2007 (the "Bonds"), in a principal amount not to exceed \$18,000,000; and

WHEREAS, since the passage of Resolution No. 07-15, interest rates have declined such that the Borough may effect a further reduction in debt service on the Refundable Bonds (as defined by Resolution No. 07-15) by increasing the principal amount of the Bonds to be issued and refunding a greater principal amount of the Refundable Bonds; and

WHEREAS, pursuant to Section 14 of Resolution No. 07-15, with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, the Assembly is authorized to adopt a resolution or resolutions supplemental thereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of that resolution; and

WHEREAS, there are currently no Bonds outstanding; and

WHEREAS, the Assembly has determined that it is in the best interest of the Borough to amend Resolution No. 07-15 to increase the principal amount of Bonds authorized to be issued under that resolution in order to refund a greater principal amount of Refundable Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, ALASKA, that:

Section 1. Amendment of Section 2 of Resolution No. 07-15. Section 2 of Resolution No. 07-15 is hereby amended as follows (additions are underlined and deletions are struck through):

Section 2. Authorization of Bonds and Purpose of Issuance. The Assembly hereby determines it would be financially advantageous to refund all or a portion of the Refundable Bonds by the issuance of refunding bonds of the Borough (the "Bonds") on the terms and conditions provided in this resolution. For the purpose of providing the funds required to refund all or a portion of the Refundable Bonds and to pay all costs incidental thereto and to the issuance of the Bonds, the Borough hereby authorizes and determines to issue and to sell the Bonds, in one or more series, in the aggregate principal amount of up to ~~\$18,000,000~~ \$22,000,000. The Bonds shall be designated "Aleutians East Borough General Obligation Refunding Bonds," with such additional series and year designation as the Borough Administrator may fix and determine. The Borough Administrator is authorized to fix and determine which of the Refundable Bonds are to be refunded by the issuance of the Bonds in exchange therefor.

The Borough has ascertained and hereby determines that each and every matter and thing as to which provision is made in this resolution 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 to incur the indebtedness and issue the Bonds.

Section 2. Amendment of Section 7 of Resolution No. 07-15. Section 7 of Resolution No. 07-15 is hereby amended as follows (additions are underlined and deletions are struck through):

Section 7. Form of Bond. Each Bond shall be in substantially the following form, subject to the provisions of the Amended Loan Agreements, and with such changes as the Borough Administrator approves:

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF ALASKA

ALEUTIANS EAST BOROUGH, ALASKA
GENERAL OBLIGATION REFUNDING BOND, 2007

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Aleutians East Borough, Alaska (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 the following installments on December 1 month of each of the following years, and to pay interest on each such principal installment from the date hereof until paid or provision for payment thereof has been made, payable on June 1, 2007 and semiannually thereafter on the first day of June and December of each year, at the following rates per annum:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
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For so long as the Alaska Municipal Bond Bank Authority (the "Bond Bank") is the Registered Owner, payments of principal hereof and interest hereon shall be made as provided in the loan agreements between the Bond Bank and the Borough relating to this bond, as amended (the "Amended Loan Agreements"). In the event that the Bond Bank is no longer the Registered Owner, payments of principal hereof and interest hereon will be made by check or draft mailed by first class mail to the Registered Owner at the address for such Registered Owner appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal of and interest on this bond will be payable at the office of the Borough Administrator (the "Registrar") upon surrender of this bond to the Registrar. 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 Refunding Bonds, 2007 of the Borough (the "Bonds"), together aggregating \$_____ in principal amount and constituting bonds authorized for the purpose of refunding certain outstanding general obligation bonds of the Borough, and issued under Resolution 07-_____ of the Borough titled:

A RESOLUTION OF THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, ALASKA, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF THE BOROUGH, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED EIGHTEEN MILLION DOLLARS (\$18,000,000), IN ONE OR MORE SERIES, TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE BOROUGH; AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN ACCORDANCE THEREWITH; AND PLEDGING THE FULL FAITH AND CREDIT OF THE ALEUTIANS EAST BOROUGH TO THE PAYMENT THEREOF.

and Resolution 07-_____ of the Borough titled:

A RESOLUTION OF THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, ALASKA, AMENDING RESOLUTION NO. 07-15 OF THE BOROUGH TO INCREASE THE AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE BOROUGH AUTHORIZED TO BE ISSUED UNDER THAT RESOLUTION TO A PRINCIPAL AMOUNT NOT TO EXCEED TWENTY-TWO MILLION DOLLARS (\$22,000,000).

(together, the "Resolution").

The principal installments of this bond due on or after December 1, 2017, shall be subject to prepayment, at the Borough's option, on and after December 1, 2016, in whole or in part, at a prepayment price of 100% of the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment. If less than all the principal installments of the Bonds are to be prepaid, the principal installments to be prepaid shall be determined by the Borough. Notice of any such prepayment shall be sent by the Borough not less than 50 days prior to the date fixed for prepayment by first class mail to the Registered Owner of each Bond at such Registered Owner's address as it then appears on the Bond Register. Notice of prepayment having been duly given and money for prepayment being held by the Borough, interest on the principal installments to be prepaid shall cease to accrue on the date fixed for prepayment.

This bond is transferable as provided in the Resolution, (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, and thereupon a new fully registered Bond or Bonds in the same aggregate unpaid principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution 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 prepayment 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 and collect taxes upon all taxable property within the Borough without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to

pay the principal hereof and interest hereon as the same become due and payable.

Reference is hereby made to the Resolution and any resolution 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 Resolution 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 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 said constitution, statutes, ordinances or resolutions.

IN WITNESS WHEREOF, THE ALEUTIANS EAST BOROUGH, ALASKA, has caused this bond to be signed in its name and on its behalf by its Mayor and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the _____ day of _____, 2007.

ALEUTIANS EAST BOROUGH, ALASKA

Stanley Mack, Mayor

ATTEST:

Tina Anderson, Borough Clerk

Section 3. Ratification. To the extent not supplemented or amended by this resolution, all provisions of Resolution No. 07-15 are hereby ratified, approved and confirmed and shall remain in full force and effect. All actions taken pursuant to Resolution No. 07-15 and not in conflict with this resolution are hereby ratified, approved and confirmed.

Section 4. Effective Date. This resolution shall take effect immediately.

ADOPTED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, on this 28th day of March, 2007.

ALEUTIANS EAST BOROUGH, ALASKA



Stanley Mack, Mayor

ATTEST:



Tina Anderson, Borough Clerk