

FFB Note Identifier:

RUS Note Identifier:

Sitka, Alaska
February 1, 2023

REIMBURSEMENT NOTE

City and Borough of Sitka (the "Borrower"), a home rule municipality of the State of Alaska, for value received, promises to pay on demand to the order of the UNITED STATES OF AMERICA (the "Government"), acting through the Administrator of the Rural Utilities Service ("RUS"), at the United States Treasury, Washington, D.C., a sum equal to:

(1) all amounts, including, without limitation, principal and interest (the "Reimbursed Amount"), paid by the Government from time to time pursuant to that certain guarantee by RUS (the "RUS Guarantee"), made by RUS to the Federal Financing Bank ("FFB") of amounts payable to FFB under a note dated February 1, 2023, in the principal amount of \$ 4,000,000.00, made by the Borrower payable to FFB and guaranteed by RUS (the "FFB Note") pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*), Section 6 of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285), and the Note Purchase Commitment and Servicing Agreement, as it may be amended, supplemented, or restated from time to time, dated as of January 1, 1992, as amended, between FFB and RUS (all such amounts hereinafter collectively called the "Principal Amount"), and

(2) with interest on the Principal Amount from the respective date of such payment by RUS to FFB, at the Late Charge Rate as that term is defined in the FFB Note, and

(3) administrative costs and penalty charges assessed in accordance with applicable regulations, and

(4) any and all costs and expenses incurred in connection with the exercise of rights or the enforcement of remedies, as set forth in the Security Instrument, as hereinafter defined.

The obligations of the Borrower hereunder are absolute and unconditional, irrespective of any defense or any right to set off, recoupment or counterclaim it might otherwise have against the Government.

So long as FFB has received all amounts then due to it under the RUS Guarantee, the Borrower agrees to pay all amounts due on this Note directly to RUS. Nothing herein shall limit the Government's rights of subrogation which may arise as a

result of payments made by RUS pursuant to the RUS Guarantee.

This Note is one of several “Obligations” (as defined in the Security Instrument which is hereinafter defined) permitted to be executed and delivered by, and is entitled to the benefits and security of, Resolution 2023-05 dated February 14, 2023, by and between the City and Borough of Sitka, Alaska, as debtor, and the United States of America, as lender, (collectively, the “Security Instrument”). The Security Instrument provides that all Obligations (as defined in the Security Instrument) shall be equally and ratably secured thereby and reference is hereby made to the Security Instrument for a description of the property pledged, the nature and extent of the security and the rights, powers, privileges, and remedies of, the holders of Obligations with respect thereto. This Note is an “Obligation,” and an “RUS Reimbursement Obligation” (all as defined in the Security Instrument) and is entitled to the benefit of the Security Instrument.

Neither the execution and delivery of this Note by the Borrower to the Government, nor the failure of the Government to exercise any of its rights, powers, privileges or remedies under the Security Instrument shall be deemed to be a waiver of any right, power, privilege or remedy of the Government, as a holder of this Note, under the Security Instrument.

IN WITNESS WHEREOF, the Borrower has caused this Note to be signed in its corporate name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

CITY AND BOROUGH OF SITKA, ALASKA

By: _____

Name: _____

Title: _____

(Seal)

Attest: _____