

**Alaska Municipal Bond Bank Authority**  
**POST ISSUANCE COMPLIANCE POLICY**

This policy is intended to guide the Alaska Municipal Bond Bank Authority (“AMBBA”) in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of AMBBA. This policy addresses obligations of AMBBA that arise and will continue following the issuance of securities. These obligations may arise as a result of federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by AMBBA. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance. Within AMBBA, the Executive Director will be responsible for ensuring that the policy is followed and checklists and records maintained. The Executive Director may delegate responsibility to employees and outside agents for developing records, maintaining records and checklists. AMBBA will provide educational opportunities (opportunities to attend educational programs/seminars on the topic) for the parties identified in this policy with responsibilities for post-issuance compliance in order to facilitate their performance of these obligations.

A. Transcripts.

1. AMBBA’s bond counsel shall provide AMBBA with two copies of a full transcript related to the issuance of securities (for each issue). The transcript shall be delivered in the following forms: one 3-ring binder and one CD-ROM and transcripts shall be delivered to AMBBA within six months following the date of issuance of securities. It is expected that the transcript will include a full record of the proceedings related to the issuance of securities, including proof of filing an 8038-G or 8038-GC, if applicable.

2. Bond transcripts will be retained by the following party at the following location within the state of Alaska: AMBBA Executive Director’s office located in the State of Alaska, State Office Building, Department of Revenue.

B. Federal Tax Law Requirements (Applicable only if the securities are issued as “tax-exempt” securities).

1. *Use of Proceeds.*

a. Records of investments and interest earnings on the reserve balances of each bond bank resolution, as well as each individual revenue bond series of securities will be maintained by the Executive Director. Such records should include the amount of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, and its interest rate and/or yield.

2. *Arbitrage Rebate.* The Executive Director of AMBBA (“Rebate Monitor”) will monitor compliance with the arbitrage rebate obligations of AMBBA for each issue (“issue”) of securities which are described in further detail in the tax certificate if any, executed by AMBBA for each issue and included in the transcript for the issue. If AMBBA did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with AMBBA’s bond counsel regarding arbitrage rebate requirements. AMBBA will provide educational opportunities (opportunities to attend educational programs/seminars on the topic) for the Executive Director, or employees of AMBBA in which responsibility has been delegated, in order to facilitate his/her performance of these obligations.

a. *Rebate Compliance.* AMBBA will:

a. review the investment earnings records retained as described in B.1 above. If the investment earnings records clearly and definitively demonstrate that the rate of return on investments of all proceeds of the issue were lower than the yield on the issue (see the tax certificate in the transcript), then AMBBA may opt not to follow the steps described in the following paragraph.

ii. retain the services of an arbitrage rebate consultant in order to calculate any potential arbitrage rebate liability. The rebate consultant shall be selected no later than the completion of the project to be financed with the proceeds of the issue. A rebate consultant may be selected on an issue by issue basis or for all securities issues of AMBBA. The Rebate Monitor will obtain the names of at least three qualified consultants and request that the consultants submit proposals for consideration prior to being selected as AMBBA’s rebate consultant. The selected rebate consultant shall provide a written report to AMBBA with respect to the issue and with respect to any arbitrage rebate owed if any.

iii. based on the report of the rebate consultant, file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

3. *Records Retention.*

a. Records with respect to matters described in this Subsection B will be retained by AMBBA for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter.

b. Records to be retained:

(i) The transcript;

(ii) Arbitrage rebate reports prepared by outside consultants;

(iii) Work papers that were provided to the rebate consultants;

(iv) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate); and

C. Ongoing Disclosure. Under the provisions of SEC Rule 15c2-12 (the “Rule”), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. Unless AMBBA is exempt from compliance with the Rule as a result of certain permitted exemptions, the transcript for each issue will include an undertaking by AMBBA to comply with the Rule. The Executive Director of AMBBA will monitor compliance by AMBBA with its undertakings. These undertakings may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed “material events.” For some types of material events (early bond calls), AMBBA’s fiscal agent has undertaken the responsibility of filing notice of the applicable material event.

D. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of securities will require AMBBA to file information periodically with other parties, e.g., bond insurers, banks, rating agencies. The types of information required to be filed may include (1) budgets, (2) annual financial reports, (3) issuance of additional debt obligations (4) amendments to financing documents, and (5) Bond Resolution Debt Concentration by Borrower in excess of 10% per Resolution. The Executive Director of AMBBA will maintain a listing of those requirements and monitor compliance.