



BOARD OF DIRECTOR'S MEETING

TO BE HELD AT

State of Alaska - Department of Revenue

Commissioner's Conference Room

333 Willoughby Avenue, 11th Floor

Juneau, Alaska 99811

February 3, 2015

9:00 AM



333 Willoughby Avenue, 11th floor
P.O. Box 110405
Juneau, Alaska 99811-0405

Tel (907) 465-2388
FAX (907) 465-2902
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AGENDA FOR BOARD OF DIRECTOR'S MEETING

State of Alaska Department of Revenue 333 Willoughby Avenue
11th Floor Commissioner's Conference Room
February 3, 2015 at 9:00 a.m.

- I. Call to Order
- II. Roll Call
- III. Public Meeting Notice
- IV. Approval of Agenda
- V. Minutes of the November 19, 2014 Meeting of the Board of Directors
- VI. General Business
 - A. Loan Application – City of Cordova
 - B. Resolution 2015-01 – Authorizing the Issuance of 2015 One Series Bonds
 - C. Executive Director's Report
- VII. Public Comments
- VIII. Board Comments
- IX. Adjournment

Notice of Meeting - Alaska Municipal Bond Bank Authority

The Alaska Municipal Bond Bank Authority will hold a meeting in the State of Alaska, Department of Revenue, 333 Willoughby Ave, 11th Floor Commissioner's Conference Room, Alaska, on February 3, 2015 at 9 a.m. The meeting will include, but is not limited to, the following agenda items:

City of Cordova Loan Request
Resolution 2015-01 - authorizing the issuance of 2015 A & B One bond issue
Investment Manager's Report
2014 Three Post Sale Summary
Executive Directors Report

The public is invited to attend. Individuals who may need special modifications to participate should call 907-465-3750 prior to the meeting.

Dated January 21, 2015
Deven Mitchell, Executive Director

Attachments, History, Details

Attachments

None

Revision History

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Details

Department: Revenue
Category: Public Notices
Sub-Category:
Location(s): Statewide
Project/Regulation #:

Publish Date: 1/21/2015
Archive Date: 2/4/2015

Events/Deadlines:



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OFFICIAL MINUTES for the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

November 19, 2014

I. CALL TO ORDER

Greg Gursey called the meeting to order on at 2:00 p.m. Members participated at the offices of Wohlforth, Brecht, & Cartledge, 900 West 5th Avenue, Suite 600, Anchorage, AK.

II. ROLL CALL

Ted Leonard
Pam Leary
Mark Pfeffer – was absent
Greg Gursey
Luke Wells

OTHERS IN ATTENDANCE

- Deven Mitchell, Executive Director, Alaska Municipal Bond Bank
- Ryan Williams, Operational Research Analyst, Alaska Bond Bank
- Cindy Cartledge, Bond Counsel, Wohlforth, Brecht, Cartledge & Brooking
- Chip Pierce, Financial Advisor, Western Financial Group
- Laura Janke, RBC Capital
- Joyce Mason, Finance Director City of Craig
- Bob Bartholomew, Finance Director, City & Borough of Juneau

III. PUBLIC MEETING NOTICE

A copy of the Online Public Notice concerning the date, location, and purpose of the meeting was reviewed for the record.

IV. APPROVAL OF AGENDA

The agenda was approved without objection

V. MINUTES of September 4, 2014 Board of Directors Meeting

Pam Leary moved approval of the September 4, 2014 minutes and Luke Welles seconded the motion. The motion was approved without objection.

VI. GENERAL BUISNESS

City & Borough of Juneau Loan Request

Mr. Pierce highlighted the Borough's revenue bond application for up to \$36 million for cruise ship dock improvements. The bonds would be secured by the Port Development Fee. Mr. Pierce then presented an analysis and overview of the revenue bond loan request to the Board. The requested term of the loans is up to 25 years. The expected maximum annual debt service from this loan is \$2.29 million and total Borough annual debt service is \$16.5 million. The Borough's state-shared revenues are \$91.7 million, providing coverage of 5.56 times total debt service. Estimated Borrower Savings were calculated to be \$2.55 million on a gross basis, and \$1.84 million on a present value basis. Mr. Pierce then reviewed the number of cruise passengers visiting Juneau and the Port Development Fee from 2007-2013 with projections to 2016. The trend in visitors and revenue reflected the impact of the recession, and the rebound in revenue to pre-recession levels. Mr. Pierce described the 1.2 times debt service coverage requirement, the additional bonds test, and the reserve requirement of the bonds. The Borough's next planned borrowing would be approximately \$9 million of general obligation bonds in the summer or fall of 2015. Mr. Pierce recommended loan approval, but noted that the no litigation letter required updating. Mr. Welles moved that the City & Borough of Juneau's loan request for up to \$36 million of revenue bonds for their port project be approved subject to receipt of a revised no litigation letter. Ms. Leary seconded the motion. The motion was approved with four yes votes.

City of Craig Loan Update

Mr. Pierce described the City of Craig's request for an up to \$3 million loan request for improvements to the City's Aquatic Center. The bonds would be secured by a general obligation pledge of the City and carry a term of 20 years. The expected maximum annual debt service from this loan is \$210,000 which is also the total of the City's annual debt service. The City's state-shared revenues are \$8.79 million, providing coverage of 41.85 times total debt service. Estimated Borrower Savings were calculated to be \$525,000 on a gross basis, and \$371,000 on a present value basis. Mr. Pierce reviewed the City's general fund revenue sources, the general fund balance, and the city's endowment fund balance from 2010 through 2014. The City benefits from diverse revenue sources, has increased the general fund balance to its highest levels in 2014, and maintained a steady balance of \$8-9 million in the Endowment Fund over the last five years. The City has provided a no litigation letter. Based on his analysis Mr. Pierce recommended approval of the loan. Ms. Leary moved to approve the City of Craig's general obligation loan in the amount of up to \$3 million. Mr. Welles seconded the motion. The motion was approved with four yes votes

Resolution 2014-04 authorizing Necessary Action with the SEC's MCDC Initiative

Mr. Mitchell provided a summary on the Securities and Exchange Commission's Municipal Continuing Disclosure Cooperation Initiative and the historical efforts of the Bond Bank. Mr. Mitchell declared that it appeared that, due to the complexity of the Bond Bank's undertaking, that there were instances where the Bond Bank failed to provide all required information. This information was generally available to the market, provided in other formats or with alternative summary dates, but there appear to have been technical issues. Ms. Cartledge explained that the resolution is intended to provide for the self-reporting of possible violations related to compliance with continuing disclosure obligations specified in Rule 15c2-12. The Resolution authorizes self-reporting under the MCDC at the discretion of the Executive Director or Board Chairman. Ms. Leary moved approval of Resolution 2014-04 and Mr. Welles seconded the motion. The Resolution was approved with four yes votes.

IHS Joint Venture Construction

Mr. Mitchell explained that he and Mr. Welles had initiated a dialogue with representatives of the Yukon Kuskokwim Health Corporation (YKHC). YKHC is in the process of applying to the Indian Health Service Joint Venture Construction Program. The program provides for a 20 year lease and staffing for

services. This would be the basis of the YKHC constructing a new \$250,000,000 hospital in Bethel. YKHS is looking at the Bond Bank as a potential means of financing the project. This partnership would reduce the cost of the funding of the project that would otherwise be paid by the residents or the state through Medicare or Medicaid. Mr. Welles provided a detailed explanation on the current cost of services in the YK delta. There are significant amounts of money being spent on airlifting patients to Anchorage that otherwise may receive care at this facility in Bethel. Mr. Mitchell turned the Board's attention towards the draft letter in the board packet, and asked if it was the will of the Board to complete the letter and explore the potential for this new financing purpose. Mr. Mitchell made it clear that the Bond Bank's statutes would need to be amended to allow this new lending activity to occur. Following additional discussion the Board directed Mr. Mitchell to complete the draft letter and explore the options.

Post Sale Summary 2014 Three Bond Issue

Mr. Pierce discussed the summary of the sale of the 2013 Series Three Bonds. The bonds were sold by negotiated sale to RBC Capital as senior manager of the bonds on September 24, 2014. The true interest cost achieved on the 13.214 year average life bonds was 3.3368%. The bonds compare well with recent sales as compared to the MMD scale of the day. The transaction generated an estimated \$10,957,900 of savings for the eleven communities.

Executive Director's Report

Mr. Mitchell reported the following items to the Board:

Quarterly ethics filing – has been made for for the 3rd quarter of FY 2014

AGFOA – the Fall conference just ended today both Ryan Williams and I attended the conference and reached out to potential users of the Bond Bank

The University is still in the process of determining schedule for the power and heating plant replacement that they will be using the Bond Bank for a portion of the funding of.

Next Bond Issue – We anticipate another new money/refinancing bond issue to be ready for board consideration in late January 2015

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

There were none.

IX. ADJOURNMENT

Mr. Gursey adjourned the meeting without objection at 3:41 p.m.

Mark Pfeffer, Chairman

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City of Cordova
Loan Amount:	\$2,000,000
Project Type:	street capital improvements
Project Description:	The City will use the Bond Bank loan for street improvements to include new/reconstructed drainage, sidewalks, base courses, and asphaltic pavement. This amount will cover engineering, construction, and other expenses to accomplish upgrades to approximately 8,000 linear feet of existing paved and chip-sealed streets around the Cordova Harbor and downtown areas.
Term of Loan:	20 years
Revenues Pledged to Loan:	property taxes
Most Recent FY Pledged Revenues:	\$1.61 million (property taxes)
Estimated Annual Debt Service:	\$135 thousand
Total Bond Bank Annual Debt Service:	\$1.81 million
Most Recent FY Debt Service Coverage Ratio:	N/A
Most Recent FY State-Shared Revenues (SSR):	\$19.3 million
Debt Service Coverage of AMBB DS from SSR:	10.63x
Loan Subject to State Debt Service Reimbursement:	no
Estimated Borrower Savings (Gross):	\$262 thousand
Estimated Borrower Savings (Present Value):	\$208 thousand
No Litigation Letter Received:	no

Loan Application Evaluation

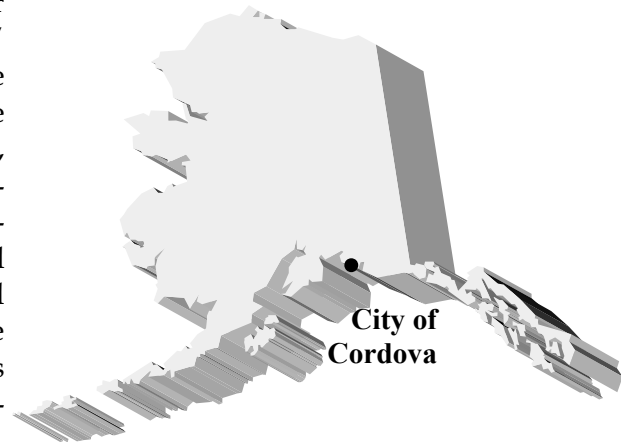
City of Cordova

Introduction

The City of Cordova (the “City”) has submitted an application to the Alaska Municipal Bond Bank (the “Bond Bank”) for a General Obligation Bond Loan totaling \$2,000,000. The loan will be used for street improvements. The following is our overview of the security provisions associated with the loan.

The Project

The loan proceeds will be used for street improvements to include new/reconstructed drainage, sidewalks, base courses, and asphaltic pavement. The amount borrowed will cover engineering, construction, and other expenses to accomplish upgrades to approximately 8,000 linear feet of existing paved and chip-sealed streets around the Cordova Harbor and downtown areas. There are 17 separate work areas included 6 small parking areas and 11 street segments that will be reconstructed.



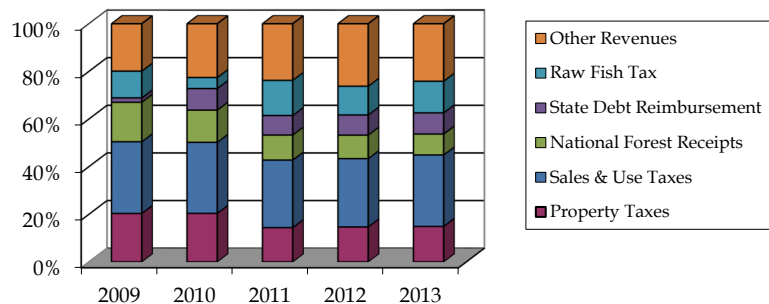
The project was approved by the voters at a general obligation election on November 4, 2014. The project was approved by a margin of 64.5% to 35.5%.

City Financial Position

The graph on the right summarizes the distribution of the primary sources of general fund revenues during the 2009 through 2013. As the graph demonstrates, the City benefits from a diverse mix of General Fund revenues, which enhances the security of its general obligation pledge.

From 2009 through 2013, sales taxes accounted for 29.4% of General Fund revenues, followed by Other Revenues

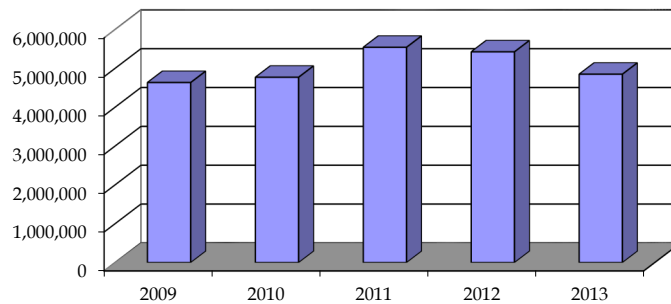
City of Cordova
General Fund Sources 2009 - 2013



(23.4%) and property taxes (16.8%). The growth in Other Revenues in recent years is largely a result of an increase in various state funds received by the City. These include revenue sharing, PERS relief and public safety grants. Cooperative tax refunds from the state have also increased in the past 4 years by 50% to approximately \$150 thousand in 2013.

During the period from 2009 through 2013, the City's General Fund year-end balance has ranged between \$4.6 million in the fiscal year ending 2009 to \$5.5 million in the fiscal year ending 2011. These fund balances represent percentages of General Fund expenditures that range from a low of 42.7% to a high of 52.9%. These are considered high General Fund balance levels. In addition, the City maintains a General Reserve

**City of Cordova
Ending Fund Balance 2009 - 2013**



Special Revenue fund which closed fiscal year 2013 with a balance of \$10.67 million. The fund is available for emergencies and unforeseen financial needs.

Security Pledge and Proposed Repayment Structure

The voters approved the financing for the planned street improvements through a general obligation bond election held on November 4, 2014 that passed at the polls by a margin of 64.5% to 35.5%. The primary source of security for the loan is the City's property tax.

With the sale of this issue, the City will have approximately \$18 million of debt outstanding under the Bond Bank's 2005 Resolution. That total includes amounts associated with the 2015 One refunding of the City's debt issued under the Bond Bank's 1976 Resolution.

State Aid Intercept

The Bond Bank has the authority to intercept state revenues that would otherwise flow to an underlying borrower in the event that a borrower failed to make timely payment on a Bond Bank loan. The Bond Bank has never had to utilize this credit feature. The state aid intercept is, however, a significant credit strength. The table below presents the City's revenues subject to intercept compared to maximum annual debt service, including the 2015 loan and the City's other debt held by the Bond Bank.

Shared Taxes and Fees	\$1,517,031
Dept. of Transportation Reimbursement	\$350,120
Reimbursement and Other Education Funding	\$966,117
Education Support Funding	\$3,795,643
Matching Grants	\$11,792,912
Community Jails	\$240,080
PILT Transfers	\$393,230
Revenue Sharing	\$204,262
Total Revenue Subject to Intercept	\$19,259,395
Fiscal Year 2015 Debt Service	\$1,812,311
Debt Service Coverage	10.63

Future Capital Plans

The City reports that while it is undertaking several capital projects, none are expected at this point to require the issuance of bonds.

Estimated Borrower Savings

Savings to the City as a result of borrowing through the Bond Bank are estimated at approximately \$262 thousand or \$208 thousand on a present value basis. Savings are a result of lower interest rates and lower costs of issuance that the City will face as a result of issuing through the Bond Bank rather than on its own.

Statement of No Litigation

The City's application was not accompanied by a no litigation letter. Such a letter will be required from the City prior to funding of the 2015 loan.

Summary

Based on our assessment, the general obligation security offered by the City, as set forth in the City's loan application and supplemental materials, provides sufficient security to justify approval of the application. The City's General Fund strength is reflected in very healthy fund balances, the General Reserve Special Revenue Fund is a cushion against unforeseen financial challenges and state-shared revenues provide substantial coverage of the City's debt service obligations to the Bond Bank.

For these reasons, we recommend approval of this loan application, conditioned upon receipt of the City's no litigation letter. If you have any questions related to the preceding report, please do not hesitate to call me at (503) 719-6113.

For Western Financial Group, LLC

A handwritten signature in black ink, appearing to read "Chip Pierce". The signature is stylized and includes a horizontal line extending to the right.

Chip Pierce

Cordova Economic and Demographic Information

Cordova is located at the southeastern end of Prince William Sound in the Gulf of Alaska. The community was built on Orca Inlet, at the base of Eyak Mountain. It lies 52 air miles southeast of Valdez and 150 miles southeast of Anchorage. The area encompasses 61.4 square miles of land and 14.3 square miles of water.

The area has historically been home to the Alutiiq, with the addition of migrating Athabaskan and Tlingit natives who called themselves Eyaks. Alaskan Natives of other descents also settled in Cordova. Orca Inlet was originally named "Puerto Cordova" by Don Salvador Fidalgo in 1790. One of the first producing oil fields in Alaska was discovered at Katalla, 47 miles southeast of Cordova, in 1902. The town of Cordova was named in 1906 by Michael Heney, builder of the Copper River and Northwestern Railroad, and the City was formed in 1909. Cordova became the railroad terminus and ocean shipping port for copper ore from the Kennecott Mine up the Copper River. The Bonanza-Kennecott Mines operated until 1938 and yielded over \$200 million in copper, silver and gold. The Katalla oil field produced until 1933, when it was destroyed by fire. Fishing became the economic base in the early 1940s.

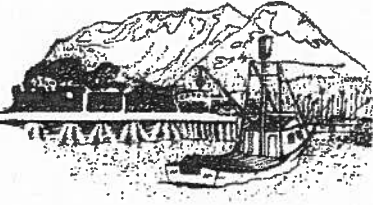
The population of the community consists of 15% Alaska Native or part Native. Cordova has a significant Eyak Athabaskan population with an active Village Council. Commercial fishing and subsistence are central to the community's culture. During the 2000 U.S. Census, total housing units numbered 1,099, and vacant housing units numbered 141. Vacant housing units used only seasonally numbered 68. U.S. Census data for Year 2000 showed 1,221 residents as employed. The unemployment rate at that time was 6.86 percent, although 33.75 percent of all adults were not in the work force. The median household income was \$50,114, per capita income was \$25,256, and 7.52 percent of residents were living below the poverty level.

Cordova utilizes water from Murcheson Falls, Heney Creek dam, Meals Reservoir, the Orca Reservoir, and Eyak Lake. The water is treated, but only the Eyak water is filtered. Water storage capacity is 2.1 million gallons. The City operates a piped water and sewer system. Sewage is treated before discharge. Over 90% of homes are fully plumbed. Some homes use individual wells and septic systems. The City wants to design a new wastewater treatment plant. A new Class 2 landfill and sludge disposal is available at Mile 17. The community participates in recycling and a household hazardous waste program. Cordova Electric Cooperative operates two diesel-powered plants, at Eyak and Orca, and the Humpback Creek Hydro Facility. Electricity is provided by Cordova Electric Cooperative, Inc. There are 2 schools located in the community, attended by 457 students. The local hospital is a qualified Acute Care and Long Term Care facility. Cordova is classified as a large town/Regional Center, it is found in EMS Region 2F in the Prince William Sound Region. Emergency Services have limited highway, marine, airport and floatplane access. Emergency service is provided by 911 Telephone Service and volunteers.

Cordova supports a large fishing fleet for Prince William Sound and several fish processing plants. 341 residents hold commercial fishing permits, and nearly half of all households have someone working in commercial harvesting or processing. Copper River red salmon, pink salmon, herring, halibut, bottom fish and other fisheries are harvested. Reduced salmon prices have affected the economy. The largest employers are Trident Seafoods, Cordova School District, Cordova Hospital, the City, and the Department of Transportation. The U.S. Forest Service and the U.S. Coast Guard maintain personnel in Cordova.

Cordova is accessed by plane or boat. It is linked directly to the North Pacific Ocean shipping lanes through the Gulf of Alaska. It receives year-round barge services and State Ferry service. The Merle K. "Mudhole" Smith Airport at mile 13 is State-owned and operated, with a 7,499' long by 150' wide asphalt runway and 1,875' long by 30' wide gravel crosswind runway. The State-owned and City-operated Cordova Municipal Airport has a 1,800' long by 60' wide gravel runway. Daily scheduled jet flights and air taxis are available. Float planes land at the Lake Eyak seaplane base or the boat harbor. Harbor facilities include a breakwater, dock, a small boat harbor with 850 berths, boat launch, boat haul-out, a ferry terminal, and marine repair services. A 48-mile gravel road provides access to the Copper River Delta to the east. Plans for a highway up the Copper River to connect with the statewide road system have been controversial.

CITY OF CORDOVA



16 January 2015

Deven Mitchell
Alaska Municipal Bond Bank Authority
Department of Revenue
P.O. Box 110405
Juneau, Alaska 99811-0405

Dear Deven,

Enclosed is the City of Cordova's application for bond financing for a transportation project. Included in this packet are the following documents;

- Bond Application, signed
- Project Description & Budget
- City of Cordova Property Valuation and Property Tax Revenues
- City of Cordova Debt Service Schedule
- Resolution of the City of Cordova authorizing the issue of 2MM G.O. bonds
- Resolution Certifying Election Results
- Cordova Demographics
- Cordova FY '15 Budget & Resolution adopting such Budget
- Financial Statements 12-31-2012 & 12-31-2013

Please get back to me with any questions.

Sincerely,

Jon K Stavig, Finance Director
City of Cordova



Application for Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue or general obligation bond issue of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information

A. Name of Governmental Unit (Applicant):
 City of Cordova

B. Type of government (home rule, first class, authority, etc.):
 Home Rule City

C. Contact Person for the government:

Name: Randy Robertson		Title: City Manager	
Address: PO Box 1210		City: Cordova	State: AK
		Zip: 99574	
Phone: 907-424-6200	Fax: 907-424-6000	E-mail: citymanager@cityofcordova.net	

D. Applicant's Bond Counsel:

Name: Tom E Klinkner/BHB & C		Title: Shareholder/Boan Counsel	
Address: 1127 West 7th Avenue		City: Anchorage	State: AK
		Zip: 99574	
Phone: 907-276-1550	Fax: 907-276-3680	E-mail: tklinkner@bhb.com	

E. Applicant's Financial Advisor or Underwriter (if applicable):

Name: TBD		Title:	
Address:		City:	State: Zip:
Phone:	Fax:	E-mail:	

II. Issue Information

A. Total amount of bond purchase request:

\$2 million

B. Total term of requested loan: 20 years

C. Preferred principal and interest payment months: **principle/interest** **interest only**
Annual Payments

D. If a bond election is required, provide a copy of the bond election ordinance and ballot proposition. q A

If a bond election has been held, provide the votes for and against the issue(s):

Yes:	No:	nt of registered voters casting b	879/1824
567	312	48.20%	Attached bond resolution & election certification of results

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? Provide details of

E. Will you need interim financing? No

1. If applicable, provide interim financing information:

Amount: Maturity: Rate: Lender:

2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. q Attached

F. Describe project to be financed, including the information requesting in 1-6. If this information is available in a project feasibility study, you may reference and attach it.

1. Are engineering and specifications completed? Yes No

2. If not, when are they projected for completion?

3. Have construction bids been awarded? Yes No

4. Are there additional state or local approvals required? Yes No

5. Describe timing/scheduling plan:

To complete street improvements over the course of spring-summer 2015

6. What is the projected completion date? **Fall 2015**

G. Sources of uses of funds

Sources of Funds		Uses of Funds	
Bonds (this application)	\$2 million	Construction	\$
Federal Funds*	\$	Engineering	\$
State Funds*	\$	Contingency	\$
Applicant's Funds	\$	Cost of Issuance	\$
Other (specify)	\$	Other	\$
Total:	\$2 million	Total:	\$2 million

*If federal or state funds are involved, provide a complete description of the status and uses of these funds.

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds. **Attached**

B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? Yes No

If yes, provide amount of financed, purpose and principal amount outstanding. **see attached**

C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? Yes No

If yes, please attach details. qAttached

D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? Yes No

If yes, please attach an explanation. qAttached

E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds? Yes No

If yes, please attach an explanation. qAttached

F. Provide information on the amount, timing, and purpose of any bonds you have authorized by the voters, but not yet issued. Attached. N/A

G. Attach your government's forecast on amount, timing, and purpose of future general obligation or revenue bond financing. If this information is available in your long-term plan, provide a copy.

qAttached

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative trends or factors. (If this information is available in an annual report, provide a copy with your application.) qAttached

Are any of the community's major employers expected to make changes in work force or operations? Yes No

If yes, provide an explanations. qAttached

J. Please provide population figures for your community for the last five years. Indicate the source of your figures.

Year	Population	Source
2013	2302	Alaska Department of Labor & Workforce development analysis section & US Census
2012	2314	
2011	2292	
2010	2239	

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. **Attached**

M. Provide your audited financial statements from the last two years (provide your unaudited statement if audit hasn't been preformed). **Attached**

N. Provide your current year's budget. **Attached**

O. Provide your capital improvement plan. qAttached

P. Provide any other financial or economic information that will assist evaluation of your application. qAttached

IV. Legal Information

- A. Provide a certificate of your legal counsel that establishes there is no litigation pending or threatened
1. affecting the corporate existence of your government, or the titles of officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant 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 loan agreement between the applicant and the Bond Bank, or contesting the power of your government or your authority with respect to the bonds; or
 2. against your government or involving any of the property or assets of or under the control of your government, which , whether individually or in the aggregate involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues properties, or assets, or in the condition, financial or otherwise, of your government.
- B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.
- C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

Randy E. Robertson
Name (print)

City MGR
Title

[Signature]
Signature

15 JAN 15
Date of Application

Please return all applications to:
Deven Mitchell
Alaska Municipal Bond Bank Authority
Department of Revenue
PO Box 110405
Juneau, AK 99811-0405
(907)465-2388 phone
(907)465-2389 fax
deven_mitchell@revenue.state.ak.us

PROJECT DESCRIPTION

Cordova citizenry recently voted to approve a \$2 million bond for street improvements to include new/reconstructed drainage, sidewalks, base courses, and asphaltic pavement. This amount will cover engineering, construction, and other expenses to accomplish upgrades to approximately 8,000 linear feet of existing paved and chip-sealed streets around the Cordova Harbor and downtown areas. There are 17 separate work areas included 6 small parking areas and 11 street segments that will be reconstructed. Pursuant to the following budget and attached table.

BUDGET

Engineering/permitting	\$259,000
Chip Seal paving	\$60,000
Drainage Upgrades	\$450,000
Sidewalks, new	\$320,000
Asphaltic Paving	\$911,000
TOTAL	\$2,000,000

DOWL has been selected to do the survey and design/engineering work.

**ALASKA MUNICIPAL BOND BANK
RESOLUTION NO. 2015-01**

**A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION AND REFUNDING BONDS, 2015 SERIES ONE,
OF THE ALASKA MUNICIPAL BOND BANK**

WHEREAS, the Board of Directors of the Alaska Municipal Bond Bank (the "Bank") by Resolution entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended (the "Resolution"), has created and established an issue of Bonds of the Bank; and

WHEREAS, the Resolution authorizes the issuance of said Bonds in one or more series pursuant to a Series Resolution authorizing each such series; and

WHEREAS, the Board of Directors of the Bank has determined that it is necessary and required that the Bank issue at this time a Series of Bonds to be designated "Alaska Municipal Bond Bank General Obligation and Refunding Bonds, 2015 Series One" (the "2015 Series One Bonds") to provide moneys to carry out the purposes of the Bank;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA MUNICIPAL BOND BANK AS FOLLOWS:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

Section 101 - Series Resolution.

This Series Resolution (the "2015 Series One Resolution") is adopted in accordance with the provisions of the Resolution and pursuant to the authority contained in the Act.

Section 102 - Definitions.

In this 2015 Series One Resolution and with respect to the 2015 Series One Bonds:

(1) Unless otherwise defined in Article I herein, all capitalized terms herein shall have the same meanings, respectively, as such terms are given in Article I of the Resolution.

(2) "Amendatory Loan Agreement" shall mean, collectively, the agreements:

(a) by and between the Bank and the City of Ketchikan, Alaska, amending certain terms of the loan agreement entered into by the parties and dated October 1, 1997, as amended on March 1, 2005;

(b) by and between the Bank and the City and Borough of Sitka, Alaska, amending certain terms of the loan agreement entered into by the parties and dated May 15, 2000, as amended on March 1, 2005;

(c) by and between the Bank and the City of Cordova, Alaska, amending certain terms of the loan agreement entered into by the parties and dated March 1, 2000, as amended on March 1, 2005;

(d) by and between the Bank and the City of Unalaska, Alaska, amending certain terms of the loan agreement entered into by the parties and dated May 15, 2000, as amended on March 1, 2005;

(e) by and between the Bank and the Northwest Arctic Borough, Alaska, amending certain terms of the loan agreement entered into by the parties and dated August 1, 2000, as amended on March 1, 2005;

(f) by and between the Bank and the Ketchikan Gateway Borough, Alaska, amending certain terms of the loan agreement into by the parties and dated May 1, 2005, as amended on May 1, 2012;

(g) by and between the Bank and the City of Nome, Alaska, amending certain terms of the loan agreement entered into by the parties and dated February 1, 2006;

(h) by and between the Bank and the City of Wrangell, Alaska, amending certain terms of the loan agreement entered into by the parties and dated February 1, 2006;

(i) by and between the Bank and the Aleutians East Borough, Alaska, amending certain terms of the loan agreement entered into by the parties and dated February 1, 2006;

(j) by and between the Bank and the City and Borough of Sitka, Alaska, amending certain terms of the loan agreement entered into by the parties and dated July 1, 2008;

(k) by and between the Bank and the City of Unalaska, Alaska, amending certain terms of the loan agreement entered into by the parties and dated January 1, 2009;

(l) by and between the Bank and the City of Nome, Alaska, amending certain terms of the loan agreement entered into by the parties and dated April 1, 2009; and

(m) by and between the Bank and the City of Cordova, Alaska, amending certain terms of the loan agreement entered into by the parties and dated April 1, 2009.

(3) "Bank" shall mean the Alaska Municipal Bond Bank.

(4) "Beneficial Owner" shall mean the person in whose name a 2015 Series One Bond is recorded as the beneficial owner of such 2015 Series One Bond by the respective systems of Depository Trust Company and the Depository Trust Company Participants or the registered owner of the 2015 Series One Bond if the 2015 Series One Bond is not then held in book-entry form under Section 206.

(5) "Bond Purchase Contract" shall mean the agreement by and between the Bank and Underwriter, providing for the purchase and sale of the 2015 Series One Bonds.

(6) "Bond Year" shall mean each one-year period that ends on an anniversary of the date of issue of the 2015 Series One Bonds.

(7) "Chairman" shall mean the chairman of the Board of Directors of the Alaska Municipal Bond Bank Authority (also known as the Alaska Municipal Bond Bank).

(8) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

(9) "Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate executed by the Bank and dated the date of issuance and delivery of the 2015 Series One Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(10) "Depository Trust Company" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

(11) "Depository Trust Company Participant" shall mean a trust company, bank, broker, dealer, clearing corporation and any other organization that is a participant of Depository Trust Company.

(12) "Escrow Agent" shall mean The Bank of New York Mellon Trust Company, N.A.

(13) "Escrow Agreement" shall mean the agreement entered into by and between the Bank and the Escrow Agent, dated the date of issuance of the 2015 Series One Bonds, securing payment for the Refunded Bonds.

(14) "Excess Investment Earnings" shall mean the amount of investment earnings on gross proceeds of the 2015 Series One Bonds determined by the Bank to be required to be rebated to the United States of America under the Code.

(15) "Financial Advisor" shall mean Western Financial Group, LLC.

(16) "Letter of Representations" shall mean the Blanket Issuer Letter of Representations dated May 2, 1995 from the Bank to Depository Trust Company, a copy of which is attached hereto as Exhibit A, and the operational arrangements referred to therein.

(17) "Loan Agreement" shall mean, together, the agreements (a) by and between the Bank and the City of Craig, Alaska, and (b) by and between the Bank and the City of Cordova, Alaska, each pertaining to the repayment of a Loan to the Governmental Unit as provided for herein.

(18) "Record Date" shall mean fifteen days preceding each interest payment date with respect to the 2015 Series One Bonds.

(19) "Refunded Bonds" shall mean the maturities, or portions thereof, of the 2005 Series A Bonds, the 2005 Series B Bonds, the 2006 Series A Bonds, the 2008 Series Two Bonds, the 2009 Series One Bonds, and the 2009 Series Two Bonds that the Executive Director designates to be refunded pursuant to Section 304 of this 2015 Series One Resolution.

(20) "Underwriter" shall mean RBC Capital Markets, LLC, together with any other financial institution authorized by the Bank.

(21) "2005 Series A Bonds" shall mean the \$16,120,000 principal amount of the outstanding General Obligation Refunding Bonds, 2005 Series A, maturing in the years 2015 through 2020, inclusive.

(22) "2005 Series B Bonds" shall mean the \$2,235,000 principal amount of the outstanding General Obligation Bonds, 2005 Series B, maturing in the years 2016, 2017 and 2019.

(23) "2006 Series A Bonds" shall mean the \$4,500,000 principal amount of the outstanding General Obligation Bonds, 2006 Series A, maturing in the years 2016 through 2026, inclusive.

(24) "2008 Series Two Bonds" shall mean the \$4,390,000 principal amount of the outstanding General Obligation Bonds, 2008 Series Two, maturing in the years 2019 through 2028, inclusive.

(25) "2009 Series One Bonds" shall mean the \$19,265,000 principal amount of the outstanding General Obligation Bonds, 2009 Series One, maturing in the years 2019 through 2033, inclusive.

(26) "2009 Series Two Bonds" shall mean the \$13,500,000 principal amount of the outstanding General Obligation Bonds, 2009 Series Two, maturing in the years 2016 through 2029, inclusive.

(27) "2015 Series One Bonds" shall mean the Bonds authorized by Article II hereof.

ARTICLE II AUTHORIZATION OF 2015 SERIES ONE BONDS

Section 201 - Principal Amount, Designation and Series.

Pursuant to the provisions of the Resolution, a series of Bonds designated as "Alaska Municipal Bond Bank General Obligation and Refunding Bonds, 2015 Series One" is hereby authorized to be issued in the aggregate principal (par) amount of not to exceed Seventy Million Dollars (\$70,000,000). The Executive Director is hereby authorized to change the designation to allow for the sale of the 2015 Series One Bonds to be combined and sold with other Bonds authorized by a Series Resolution and approved by the Board of Directors of the Bank.

Section 202 - Purposes.

The purposes for which the 2015 Series One Bonds are being issued are (i) making Loans to the Governmental Units to the extent and in the manner provided in Article III, (ii) the refunding of the maturities, or portions thereof, of the 2005 Series A Bonds, the 2005 Series B Bonds, the 2006 Series A Bonds, the 2008 Series Two Bonds, the 2009 Series One Bonds, and the 2009 Series Two Bonds that the Executive

Director designates to be refunded pursuant to Section 304 of this 2015 Series One Resolution, and (iii) making a deposit, if any, in the Reserve Fund as provided in Article III of this 2015 Series One Resolution.

Section 203 - Date, Maturities and Interest Rates.

The 2015 Series One Bonds shall be dated the date the 2015 Series One Bonds are delivered to the Underwriter subject to the terms and conditions set forth in this 2015 Series One Resolution. Subject to adjustment as provided for in this Section 203, the 2015 Series One Bonds shall mature, or have Sinking Fund Installments due, on the 1st day of October in each of the years, in the respective principal amounts, as set forth below:

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Maturity (October 1)</u>	<u>Principal Amount</u>
2015	\$4,995,000	2025	\$3,680,000
2016	5,085,000	2026	3,615,000
2017	5,170,000	2027	3,805,000
2018	4,735,000	2028	3,335,000
2019	6,115,000	2029	1,890,000
2020	5,220,000	2030	1,990,000
2021	3,175,000	2031	2,080,000
2022	3,345,000	2032	2,200,000
2023	3,415,000	2033	2,300,000
2024	3,525,000	2034	325,000

Notwithstanding the foregoing, the exact principal amount of each maturity, or the exact amount of each Sinking Fund Installment, the maturity dates, and the interest rates of the 2015 Series One Bonds shall be fixed and determined by the Chairman or the Executive Director at the time the 2015 Series One Bonds are sold pursuant to Section 210 hereof but subject to the limitations set forth in Section 201 hereof.

Section 204 - Interest Payments.

The 2015 Series One Bonds shall bear interest from their dated date. The first interest payment date shall be October 1, 2015 (or such other date as may be fixed and determined by the Chairman or the Executive Director); thereafter, interest on the 2015 Series One Bonds shall be payable on the 1st days of April and October (or such other months as may be fixed and determined by the Chairman or the Executive Director), computed on the basis of a 360-day year composed of twelve thirty-day months.

Section 205 - Denominations, Numbers and Other Designation.

The 2015 Series One Bonds shall be issued in registered form in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of the 2015 Series One Bonds authorized herein. The 2015 Series One Bonds shall be numbered serially with any additional designation that the Bank deems appropriate.

Section 206 - Securities Depository.

(1) The 2015 Series One Bonds shall be registered initially in the name of "Cede & Co.," as nominee of Depository Trust Company ("DTC"), and shall be issued initially in the form of a single bond for each maturity in the amount of such maturity. Registered ownership of the 2015 Series One Bonds or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository or such substitute depository's successor; or (iii) to any person as provided in paragraph (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Bank that it is no longer in the best interest of Beneficial Owners to continue the system of book-entry transfers through DTC or its successors (or any substitute depository or its successor), the Bank may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (1) above, the Trustee shall, upon receipt of all Outstanding 2015 Series One Bonds, together with a written request of an Authorized Officer and a supply of new 2015 Series One Bonds, authenticate a single new 2015 Series One Bond for each maturity of 2015 Series One Bonds then Outstanding, registered in the name of such successor or such substitute depository, or its nominee, as the case may be, all as specified in such written request.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Bank determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the ownership of 2015 Series One Bonds may then be transferred to any person or entity as provided in the Resolution and such 2015 Series One Bonds shall no longer be held in book-entry form. An Authorized Officer shall deliver a written request to the Trustee to issue 2015 Series One Bonds as provided in the Resolution in any authorized denomination, together with

a supply of definitive Bonds. Upon receipt of all then Outstanding 2015 Series One Bonds by the Trustee, together with a written request of an Authorized Officer to the Trustee, new 2015 Series One Bonds shall be issued and authenticated in such denominations and registered in the names of such persons as are requested in such written request.

(5) For so long as the 2015 Series One Bonds are held in book-entry form under this Section, the Bank and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the 2015 Series One Bonds registered in its name for the purposes of payment of principal or Redemption Price of and interest on such 2015 Series One Bonds, selecting such 2015 Series One Bonds, or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Resolution (except as otherwise provided pursuant to Section 508 or this 2015 Series One Resolution), registering the transfer of such 2015 Series One Bonds and obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Bank nor the Trustee shall be affected by any notice to the contrary. Neither the Bank nor the Trustee shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the 2015 Series One Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books of the Trustee as being a registered owner, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any Depository Trust Company Participant of any amount in respect of the principal or Redemption Price of or interest on the 2015 Series One Bonds, any notice which is permitted or required to be given to Bondholders under the Resolution, the selection by DTC or any Depository Trust Company Participant of any person to receive payment in the event of a partial redemption of the 2015 Series One Bonds, or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay from money available under the Resolution all principal and Redemption Price of and interest on 2015 Series One Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Bank's obligations with respect to the principal or Redemption Price of and interest on the 2015 Series One Bonds to the extent of the sum or sums so paid.

Section 207 - Places and Manner of Payment.

For so long as all Outstanding 2015 Series One Bonds are registered in the name of Cede & Co. or its registered assigns, payment of principal and interest thereon shall be made as provided in the Letter of Representations and the operational arrangements referred to therein as amended from time to time. (Details regarding the current DTC Book-Entry-Only Issuance practices are included in Exhibit A attached hereto.) In the event that the 2015 Series One Bonds are no longer registered in the name of Cede & Co. or its registered assigns, (i) payment of interest on the 2015 Series One Bonds will be made by check or draft mailed by first class mail to the registered

owner, at the address appearing on the bond register on the Record Date of the Bank kept at the corporate trust office of the Trustee, or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of 2015 Series One Bonds received at least fifteen (15) days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal of the 2015 Series One Bonds will be payable at the corporate trust office of the Trustee upon surrender of the 2015 Series One Bonds representing such principal. Both principal of and interest on the 2015 Series One Bonds are payable in any coin or currency 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.

Section 208 - Optional Redemption.

The Chairman or the Executive Director are, and each of them is, hereby authorized to determine the optional redemption provisions, if any, for the 2015 Series One Bonds and shall cause any such provisions to be included in the Bond Purchase Contract and the form of the 2015 Series One Bonds.

Section 209 - Mandatory Redemption.

The Chairman or the Executive Director are, and each of them is, hereby authorized to determine the mandatory redemption provisions, if any, for the 2015 Series One Bonds and shall cause any such provisions to be included in the Bond Purchase Contract and the form of the 2015 Series One Bonds.

Section 210 - Sale of 2015 Series One Bonds.

The 2015 Series One Bonds shall be sold at negotiated sale to the Underwriter, and a co-underwriter if selected by the Chairman or the Executive Director, pursuant to the terms of the Bond Purchase Contract. The Chairman or the Executive Director are, and each of them is, hereby authorized to execute the Bond Purchase Contract with the Underwriter regarding the sale of the 2015 Series One Bonds upon his approval of the sale details of the 2015 Series One Bonds, the dated date and the delivery date of the 2015 Series One Bonds, the aggregate principal (par) amount of the 2015 Series One Bonds, the purchase price of the 2015 Series One Bonds, the maturity and the interest payment dates of the 2015 Series One Bonds, and the redemption provisions and interest rate of each maturity of the 2015 Series One Bonds. Provided, however, the aggregate principal amount of the 2015 Series One Bonds shall not exceed Seventy Million Dollars (\$70,000,000), the true interest cost on the 2015 Series One Bonds shall not exceed four and three-quarters percent (4.75%), and the Underwriter's discount shall not exceed three-quarters of one percent (.75%) of the par value of the 2015 Series One Bonds. Additionally, prior to execution of the Bond Purchase Contract, the

Chairman or the Executive Director, with the assistance of the Financial Advisor, shall take into account those factors which, in their judgment, will result in the lowest true interest cost on the 2015 Series One Bonds.

The authority granted to the Chairman and the Executive Director under this Section 210 shall expire one hundred eighty (180) days from the date of approval of this 2015 Series One Resolution.

Section 211 - Official Statement.

The Chairman or the Executive Director are, and each of them is, hereby authorized to approve the final form of, and the distribution to prospective purchasers and other interested persons of, the preliminary Official Statement of the Bank for the 2015 Series One Bonds in the form submitted to and part of the records of the meeting, with such changes as the Chairman or the Executive Director shall deem advisable. The Chairman and the Executive Director are hereby further authorized to approve the final form of the Official Statement. The distribution of the preliminary Official Statement and the Official Statement, as approved by the Chairman or the Executive Director, in connection with the offering of the 2015 Series One Bonds is hereby ratified, confirmed and approved.

There is hereby delegated to the Chairman or the Executive Director the power to deem the preliminary Official Statement final on behalf of the Bank for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

ARTICLE III DISPOSITION OF BOND PROCEEDS

Section 301 - Disposition of Proceeds for Loan and Refunding Purposes.

(a) Upon the delivery of the 2015 Series One Bonds the Bank shall, in accordance with Article V of the Resolution, apply a portion of the proceeds derived from the sale of the 2015 Series One Bonds to the making of a (i) Loan to the City of Craig, Alaska, in the principal amount not to exceed \$2,000,000 to be used to finance capital improvements to the municipal swimming pool, and (ii) Loan to the City of Cordova, Alaska, in the principal amount not to exceed \$2,000,000 to be used to finance road capital improvements.

(b) Certain of the proceeds of the 2015 Series One Bonds shall be used to purchase direct, non-callable (prior to the date of scheduled application) obligations of the United States of America, the principal of and the interest on which when due will provide moneys which, together with cash, if any, shall be sufficient and available to pay when due the redemption price of the Refunded Bonds, and the interest to become due

on such bonds prior to and on the first optional redemption date; provided, however, that such amounts shall be applied only with respect to maturities that the Executive Director designates to be Refunded Bonds pursuant to Section 304.

Section 302 - Reserve Fund Deposit.

On the date of sale, but subject to Section 201 hereof, the Chairman or the Executive Director shall determine whether it is in the best interest of the Bank to use available cash or proceeds from the 2015 Series One Bonds for purposes of making a deposit into the Reserve Fund, which amount, together with other available funds, if any, will be the amount necessary to make the total amount in the Reserve Fund equal to the Required Debt Service Reserve upon delivery of the 2015 Series One Bonds.

Section 303 - Disposition of Remainder of Bond Proceeds.

The balance of the proceeds of the sale of the 2015 Series One Bonds representing any premium received over the principal amount of the 2015 Series One Bonds after deducting the amounts to be paid for costs of issuing the 2015 Series One Bonds, amounts necessary to ensure the deposit to the Reserve Fund equals the Required Debt Service Reserve, and after deducting the amount allocable to the Reserve Obligations, if any, which amount shall be deposited in the Reserve Fund, shall be deposited with the Governmental Units and applied towards costs of issuance and debt service payments due and owing on their respective Municipal Bonds (as such term is defined in the Loan Agreement or Amendatory Loan Agreement) or such other permitted purpose.

Section 304 - Designation of Refunded Bonds.

The Executive Director is hereby authorized to designate which, if any, of the 2005 Series A Bonds, the 2005 Series B Bonds, the 2006 Series A Bonds, the 2008 Series Two Bonds, the 2009 Series One Bonds, and the 2009 Series Two Bonds shall be refunded, eliminating from the category of Refunded Bonds loan obligations corresponding to municipal bonds whose terms have not been amended by the Governmental Unit to conform to the terms of the refunding authorized by this 2015 Series One Resolution as of the date of delivery of the 2015 Series One Bonds. Provided, however, the refunding of the Refunded Bonds so designated by the Executive Director must realize an aggregate debt service savings of at least three percent (3%) of their principal amount, net of all issuance costs and underwriting discount, on a present value basis.

Section 305 - Escrow Agreement.

The Executive Director is hereby authorized and directed to enter into the Escrow Agreement with the trustee for the Refunded Bonds providing for the use and disposition of moneys, if any, and direct, non-callable obligations of the United States of America for the purpose set forth in Section 301(b) of this 2015 Series One Resolution.

Section 306 - Election for Redemption of Refunded Bonds.

The Executive Director is hereby authorized to direct the trustee of the Refunded Bonds to redeem such bonds on the first available payment date in accordance with the terms of the respective authorizing resolution for the Refunded Bonds.

ARTICLE IV
EXECUTION AND FORM OF 2015 SERIES ONE BONDS

Section 401 - Execution and Form of 2015 Series One Bonds.

The 2015 Series One Bonds shall be executed in the manner set forth in Section 303 of the Resolution. Subject to the provisions of the Resolution, the 2015 Series One Bonds, and the Trustee's certificate of authentication, shall be of substantially the following form and tenor:

ALASKA MUNICIPAL BOND BANK
GENERAL OBLIGATION AND REFUNDING BONDS, 2015 SERIES ONE

INTEREST RATE: _____% MATURITY DATE: _____, 20__ CUSIP NO.: _____

Registered Owner: CEDE & Co.

Principal Amount: _____ and No/100 Dollars

Alaska Municipal Bond Bank (herein called the "Bank"), a public body corporate and politic, constituted as an instrumentality of the State of Alaska, organized and existing under and pursuant to the laws of the State of Alaska, acknowledges itself indebted to, and for value received, hereby promises to pay to CEDE & CO. or registered assigns, the principal sum specified above on the Maturity Date specified above, and to pay to the registered owner hereof interest on such principal sum from the date hereof to the date of maturity of this Bond at the rate per annum specified above, payable _____ 1, 20__, and semi-annually on the 1st day of _____ and on the 1st day of _____ thereafter. For so long as this Bond is held in book-entry form, payment of principal and interest shall be made by wire transfer to the registered

owner pursuant to written instructions furnished to The Bank of New York Mellon Trust Company, N.A., in San Francisco, California, as Trustee under the General Bond Resolution of the Bank, adopted July 13, 2005, as amended (herein called the "Resolution"), or its successor or assigns as Trustee (herein called the "Trustee"). In the event this Bond is no longer held in book-entry form, (i) payment of interest will be made by check or draft mailed by first class mail to the registered owner at the address appearing on the bond register of the Bank kept by the Trustee, or, upon the written request of a registered owner of at least \$1,000,000 in principal amount of 2015 Series One Bonds received at least 15 days prior to an interest payment date, by wire transfer in immediately available funds to an account in the United States of America designated by such registered owner; and (ii) principal will be payable upon presentation and surrender hereof at the corporate trust office of the Trustee. Interest shall be computed on the basis of a 360-day year composed of twelve thirty-day months. Both principal of and interest on this Bond are payable in any coin or currency 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.

This Bond is a general obligation of the Bank and is one of a duly authorized issue of Bonds of the Bank designated "Alaska Municipal Bond Bank Bonds" (herein called the "Bonds"), issued and to be issued in various series under and pursuant to the Alaska Municipal Bond Bank Act, constituting Chapter 85, Title 44, of the Alaska Statutes (herein called the "Act"), and under and pursuant to the Resolution and a series resolution authorizing each such series. As provided in the Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited except as provided in the Resolution, the applicable Series Resolution, and the Act, and all Bonds issued and to be issued under said Resolution are and will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Resolution and the applicable Series Resolution.

This Bond is one of a series of Bonds (the "2015 Series One Bonds") issued in the aggregate principal amount of \$_____ under the Resolution of the Bank and a series resolution of the Bank, adopted February __, 2015, and entitled: "A Series Resolution Authorizing the Issuance of General Obligation and Refunding Bonds, 2015 Series One, of the Alaska Municipal Bond Bank" (said resolutions being herein collectively called the "Resolutions").

Copies of the Resolutions are on file at the office of the Bank and at the corporate trust office of the Trustee, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the 2015 Series One Bonds;

the nature, extent and manner of enforcement of such pledges; the rights and remedies of the registered owners of the 2015 Series One Bonds with respect thereto; and the terms and conditions upon which the Bonds are issued and may be issued thereunder; to all of the provisions of which the registered owner of this Bond, by acceptance of this Bond, consents and agrees. To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by the Bank, with the written consent of the registered owners of at least two-thirds in principal amount of the Bonds then outstanding and, in case less than all of the several series of Bonds would be affected thereby, with such consent of the registered owners of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding.

The 2015 Series One Bonds are subject to redemption prior to their respective scheduled maturities as set forth below.

The 2015 Series One Bonds maturing on and after _____ 1, 20__, are subject to redemption, in whole or in part, on or after _____ 1, 20__, at the option of the Bank at a price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date of redemption.

Unless previously redeemed pursuant to the foregoing optional redemption provisions, the 2015 Series One Bonds maturing on _____ 1, 20__ (the "Term Bonds") are subject to redemption on _____ 1 of the following years and in the following principal amounts at 100% of the principal amount of the 2015 Series One Bonds to be redeemed plus accrued interest, if any, to the redemption date.

Term Bonds Due _____ 1, 20__

Year Sinking Fund Requirement

Notice of redemption will be mailed to owners of 2015 Series One Bonds called for redemption not less than 30 days nor more than 60 days before the redemption date. Interest on any 2015 Series One Bonds called for redemption will cease on the redemption date.

This Bond is transferable, as provided in the Resolutions, only upon the books of the Bank kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or its attorney duly authorized in writing, and thereupon a new registered 2015 Series One Bond or Bonds in the same aggregate principal amount and of the same maturity, in authorized denominations,

shall be issued to the transferee in exchange therefor as provided in the Resolutions and upon the payment of the charges, if any, therein prescribed.

The 2015 Series One Bonds are issuable in the denomination of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of 2015 Series One Bonds maturing in the year of maturity of the Bond for which the denomination of the Bond is to be specified. Subject to such conditions and upon payment of such charges, if any, 2015 Series One Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered 2015 Series One Bonds of any other authorized denominations, of the same maturity.

The Bank is obligated to pay the principal of and interest on the 2015 Series One Bonds only from revenues or funds of the Bank, and the State of Alaska is not obligated to pay such principal of or interest on the 2015 Series One Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged to the payment of the principal of or the interest on the 2015 Series One Bonds.

This Bond is fully negotiable for all purposes of the Uniform Commercial Code, and each owner of this Bond by accepting this Bond shall be conclusively considered to have agreed that this Bond is fully negotiable for those purposes.

Neither a member of the Bank nor any person executing the 2015 Series One Bonds shall be liable personally on the 2015 Series One Bonds by reason of the issuance thereof.

This Bond shall not be entitled to any benefit under the Resolutions or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

The Bank modified the Resolution, effective on the date when all Bonds issued prior to February 19, 2013 cease to be Outstanding, by: (i) authorizing the Trustee to release to the Bank amounts held in the Reserve Fund which exceed the Required Debt Service Reserve whenever there is a reduction in the Required Debt Service Reserve; (ii) requiring the Trustee to withdraw earnings and profits realized in the Reserve Fund, and to provide such amounts to the Bank on or before June 30 of each year so long as the balance therein equals the Required Debt Service Reserve; (iii) authorizing certain amendments and modifications to the Resolution effective upon securing the consent of Holders of at least two-thirds in principal amount of Bonds then Outstanding; and (iv) providing that an underwriter or purchaser of a Series of Bonds may consent to a

modification of, or amendment to, the Resolution as Holder of such Bonds at the time such Bonds are issued.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Alaska and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the 2015 Series One Bonds, together with all other indebtedness of the Bank, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Alaska Municipal Bond Bank has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Executive Director all as of the _____ day of _____ 2015.

ALASKA MUNICIPAL BOND BANK

[S E A L]

MARK E. PFEFFER
Chairman

A T T E S T:

DEVEN J. MITCHELL
Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolutions and is one of the 2015 Series One Bonds of the Alaska Municipal Bond Bank.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Trustee

Date of Authentication:

Authorized Officer

ARTICLE V MISCELLANEOUS

Section 501 - Paying Agent.

The Bank of New York Mellon Trust Company, N.A., San Francisco, California, or its successor or assigns, is appointed paying agent for the 2015 Series One Bonds.

Section 502 - Arbitrage Rebate.

Within 30 days after the end of every fifth Bond Year, and within 60 days of the date when all of the 2015 Series One Bonds have been retired (or at such other time or times as may then be required by the Code and the applicable Income Tax Regulations), the Bank shall determine the Excess Investment Earnings and pay rebate amounts due the United States of America with respect thereto, as provided in Section 148(f) of the Code and the applicable Income Tax Regulations.

Section 503 - 2015 Series One Debt Service Account.

There is hereby established as a special account in the Debt Service Fund the "2015 Series One Debt Service Account," for the purpose of receiving amounts in the Debt Service Fund allocable to the 2015 Series One Bonds. Such amounts and the earnings thereon shall be deposited and held, and separately accounted for, in the 2015 Series One Debt Service Account.

Section 504 - Tax Exemption and General Tax Covenant.

The Bank intends that interest on the 2015 Series One Bonds issued on a tax-exempt basis shall be excludable from gross income for federal income tax purposes pursuant to Section 103 and 141 through 150 of the Code, and the applicable

regulations. The Bank covenants not to take any action, or knowingly omit to take any action within its control, that if taken or omitted would cause the interest on the 2015 Series One Bonds issued on a tax exempt basis to be included in gross income, as defined in Section 61 of the Code, for federal income tax purposes.

Section 505 - Arbitrage Covenant.

The Bank shall make no use or investment of the gross proceeds of the 2015 Series One Bonds which will cause the 2015 Series One Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. The Bank hereby covenants that so long as any of the 2015 Series One Bonds are outstanding, the Bank, with respect to the gross proceeds of the 2015 Series One Bonds, shall comply with all requirements of said Section 148 and of all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

Section 506 - Resolution Clarification.

It shall hereby be clarified that the Resolution, at Section 919, shall only apply to Bonds issued on a tax-exempt basis.

Section 507 - Loan Agreement and Amendatory Loan Agreement.

The Chairman and the Executive Director are each hereby authorized to execute the Loan Agreements and Amendatory Loan Agreements, as applicable, between the Bank and the herein referred to Governmental Units, in a form similar to the form submitted to and part of the records of the meeting of February 3, 2015, with such changes as the Chairman or the Executive Director shall deem advisable.

Section 508 - Continuing Disclosure.

The Bank hereby covenants and agrees that it will comply with and carry out all of the provisions of the form of Continuing Disclosure Certificate attached hereto as Exhibit B with such changes as the Chairman or the Executive Director shall deem advisable. Notwithstanding any other provision of this 2015 Series One Resolution, failure of the Bank to comply with the Continuing Disclosure Certificate shall not be considered a default of the Bank's obligations under this 2015 Series One Resolution, the Resolution or the 2015 Series One Bonds; however, the Beneficial Owner of any Bond may bring an action for specific performance, to cause the Bank to comply with its obligations under this Section.

Section 509 - Chairman and Executive Director.

The Chairman and the Executive Director are each hereby authorized to execute all documents and to take any action necessary or desirable to carry out the provisions of this 2015 Series One Resolution and to effectuate the issuance and delivery of the 2015 Series One Bonds, including execution of the Bond Purchase Contract. The authority granted in this Section 509 to the Chairman and the Executive Director includes authorization to solicit commitments for a policy of insurance with respect to payment of the interest on and principal of the Bonds and thereafter to accept such commitment which is in the best interest of the Bank and enter into such agreement with the bond insurer as shall be in the best interests of the Bank.

Section 510 - Effective Date.

This 2015 Series One Resolution shall take effect immediately on the date hereof (February 3, 2015).

EXHIBIT A

BLANKET ISSUER LETTER OF REPRESENTATIONS

Blanket Issuer Letter of Representations
[To be Completed by Issuer]

ALASKA MUNICIPAL BOND BANK
(Name of Issuer)

May 2, 1995
(Date)

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

ALASKA MUNICIPAL BOND BANK
(Issuer)

By: Norman J. Levesque
(Authorized Officer's Signature)
NORMAN J. LEVESQUE
Executive Director

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: James G. Hickey

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable
only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

EXHIBIT B

CONTINUING DISCLOSURE CERTIFICATE

Alaska Municipal Bond Bank (the "Issuer") executes and delivers this Continuing Disclosure Certificate (the "Disclosure Certificate") in connection with the issuance of \$_____ Alaska Municipal Bond Bank General Obligation and Refunding Bonds, 2015 Series One (the "Bonds"). The Bonds are being issued under the General Bond Resolution of the Bank entitled "A Resolution Creating And Establishing An Issue Of Bonds Of The Alaska Municipal Bond Bank; Providing For The Issuance From Time To Time Of Said Bonds; Providing For The Payment Of Principal Of And Interest On Said Bonds; And Providing For The Rights Of The Holders Thereof," adopted July 13, 2005, as amended (the "General Bond Resolution"), and Series Resolution No. 2015-01 adopted on February __, 2015 (the "Series Resolution," and together with the General Bond Resolution, the "Resolutions"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. The Issuer is executing and delivering this Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds, and to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, Section 3 of this Disclosure Certificate.

"Fiscal Year" means the fiscal year of the Issuer (currently the 12-month period ending June 30), as such fiscal year may be changed from time to time as required by State law.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

Section 3. Provision of Annual Reports and Financial Statements. Commencing with its Fiscal Year ending June 30, 2015, the Issuer will provide to the MSRB, in a format as prescribed by the Rule:

(a) Not later than 210 days after the end of each Fiscal Year, an Annual Report for the Fiscal Year. The Annual Report shall contain or incorporate by reference: (i) annual audited financial statements of the Issuer; (ii) a statement of authorized, issued and outstanding bonded debt of the Issuer; (iii) the Reserve Fund balance; and (iv) statistics regarding Governmental Units similar to those found in Appendix C to the Official Statement as of the end of the prior Fiscal Year. Any or all of these items may be included by specific reference to documents available to the public or the internet website of the MSRB or filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference. The Annual Report may be submitted as a single document or as separate documents comprising a package, provided that audited financial statements may be submitted separately from the remainder of the Annual Report.

(b) Not later than 120 days after the end of each Fiscal Year, the Issuer will notify each Governmental Unit, who has, or had, an amount of bonds equal to or greater than twenty percent (20%) of all outstanding loans under the General Bond Resolution, of its continuing disclosure undertaking responsibility. A list of such Governmental Units for the prior Fiscal Year will be included in the Annual Report.

Section 4. Notice of Failure to Provide Information. The Issuer shall provide in a timely manner to the MSRB notice of any failure to satisfy the requirements of Section 3 of this Disclosure Certificate.

Section 5. Reporting of Significant Events. (a) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days of the occurrence of such event:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds which include (i) the issuance by the Internal Revenue Service ("IRS") of proposed or final determinations of taxability, (ii) Notices of Proposed Issues (IRS Form 5701-TEB), (iii) other material notices or determinations with respect to the Bonds, and (iv) other events affecting the tax status of the Bonds.

(6) Defeasances.

(7) Rating changes.

(8) Tender offers.

(9) Bankruptcy, insolvency, receivership or similar proceeding by the Issuer or "obligated person."

(b) The Issuer shall file with the MSRB a notice of any of the following events with respect to the Bonds, within ten (10) business days of the occurrence of such event, if material:

(1) Nonpayment-related defaults.

(2) Modifications to rights of holders of the Bonds.

(3) Bond calls, other than mandatory, scheduled redemptions not otherwise contingent on the occurrence of an event.

(4) Release, substitution or sale of property securing repayment of the Bonds.

(5) Other than in the normal course of business, the consummation of a merger, consolidation, or acquisition involving an "obligated person," or the sale of all or substantially all of the assets of the Issuer or "obligated person," or the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than in accordance with its terms.

(6) Appointment of a successor or additional trustee or the change in name of the trustee for the Bonds.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, provided that the amendment meets each of the following conditions:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule as of the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances;

(c) The Issuer obtains an opinion of counsel unaffiliated with the Issuer that the amendment does not materially impair the interests of the Beneficial Owners of the Bonds; and

(d) The Issuer notifies and provides the MSRB with copies of the opinions and amendments.

Any such amendment may be adopted without the consent of any Beneficial Owner of any of the Bonds, notwithstanding any other provision of this Disclosure Certificate or the Resolutions.

The first Annual Report containing amended operating data or financial information pursuant to an amendment of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

Section 8. Filing Alternative. Any filing required under the terms of this Disclosure Certificate may be made solely by transmitting such filing to the Electronic Municipal Market Access as provided at <http://www.emma.msrb.org>, or in such other manner as may be permitted from time to time by the Securities Exchange Commission.

Section 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions as may be necessary and appropriate, including an action to compel specific performance, to cause the Issuer to comply with its obligations under this Disclosure Certificate. No failure to comply with any provision of this Disclosure Certificate shall be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel specific performance.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Participating Underwriter and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 11. Prior Compliance. The Issuer is in compliance in all material respects with its prior undertakings pursuant to the Rule except as set forth in the Official Statement, dated _____, 2015, relating to the Bonds.

DATED this ____ day of _____ 2015.

ALASKA MUNICIPAL BOND BANK

DEVEN J. MITCHELL
Executive Director

**FORM OF
LOAN AGREEMENT**

THIS LOAN AGREEMENT, dated as of the ___ day of _____ 20___, between the Alaska Municipal Bond Bank (the "Bank"), a body corporate and politic constituted as an instrumentality of the State of Alaska (the "State") exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the "Act"), having its principal place of business at Juneau, Alaska, and the [City] [Borough], Alaska, a duly constituted _____ [City] [Borough] of the State (the "[City] [Borough]"):

W I T N E S S E T H:

WHEREAS, pursuant to the Act, the Bank is authorized to make loans of money (the "Loan" or "Loans") to governmental units; and

WHEREAS, the [City] [Borough] is a Governmental Unit as defined in the General Bond Resolution of the Bank hereinafter mentioned and pursuant to the Act is authorized to accept a Loan from the Bank to be evidenced by its municipal bonds; and

WHEREAS, the [City] [Borough] desires to borrow money from the Bank in the amount of not to exceed \$_____ and has submitted an application to the Bank for a Loan in the amount of not to exceed \$_____, and the [City] [Borough] has duly authorized the issuance of its fully registered bond in the aggregate principal amount of \$_____ (the "Municipal Bond"), which bond is to be purchased by the Bank as evidence of the Loan in accordance with this Loan Agreement; and

WHEREAS, the application of the [City] [Borough] contains the information requested by the Bank; and

WHEREAS, to provide for the issuance of bonds of the Bank in order to obtain from time to time money with which to make Loans, the Bank has adopted the General Obligation Bond Resolution on July 13, 2005, as amended (the "General Bond Resolution") and Series Resolution No. 20__-__, approved on _____, 20___ (together with the General Bond Resolution, the "Bond Resolution"), authorizing the making of such Loan to the [City] [Borough] and the purchase of the Municipal Bond; and

WHEREAS, the Board of the Bank approved certain modifications to the General Bond Resolution, effective on the date when all bonds issued under the terms of the General Bond Resolution, prior to February 19, 2013, cease to be outstanding.

NOW, THEREFORE, the parties agree:

1. The Bank hereby makes the Loan and the [City] [Borough] accepts the Loan in the aggregate principal amount of \$ _____. As evidence of the Loan made to the [City] [Borough] and such money borrowed from the Bank by the [City] [Borough], the [City] [Borough] hereby sells to the Bank the Municipal Bond in the principal amount, with the principal installment payments, and bearing interest from its date at the rate or rates per annum, stated in Exhibit A appended hereto.

2. The [City] [Borough] represents that it has duly adopted or will adopt all necessary ordinances or resolutions, including [Ordinance] [Resolution] No. _____, adopted on _____, 20__ (the "[City] [Borough] [Ordinance] [Resolution]"), and has taken or will take all proceedings required by law to enable it to enter into this Loan Agreement and issue its Municipal Bond to the Bank and that the Municipal Bond will constitute [a general obligation bond, secured by the full faith and credit] [a revenue bond, a special and limited obligation] of the [City] [Borough], all duly authorized by the [City] [Borough] [Ordinance] [Resolution].

3. Subject to any applicable legal limitations, the amounts to be paid by the [City] [Borough] pursuant to this Loan Agreement representing interest due on its Municipal Bond (the "Municipal Bond Interest Payments") shall be computed at the same rate or rates of interest borne by the corresponding maturities of the bonds sold by the Bank in order to obtain the money with which to make the Loan and to purchase the Municipal Bond (the "Loan Obligations") and shall be paid by the [City] [Borough] at least seven (7) business days before the interest payment date so as to provide funds sufficient to pay interest as the same becomes due on the Loan Obligations.

4. The amounts to be paid by the [City] [Borough] pursuant to this Loan Agreement representing principal due on its Municipal Bond (the "Municipal Bond Principal Payments"), shall be paid at least seven (7) business days before the payment date stated in the Municipal Bond so as to provide funds sufficient to pay the principal of the Loan Obligations as the same matures based upon the maturity schedule stated in Exhibit A appended hereto.

5. In the event the amounts referred to in Sections 3 and 4 hereof to be paid by the [City] [Borough] pursuant to this Loan Agreement are not made available at any time specified herein, the [City] [Borough] agrees that any money payable to it by any department or agency of the State may be withheld from it and paid over directly to the Trustee acting under the General Bond Resolution, and this Loan Agreement shall be full warrant, authority and direction to make such payment upon notice to such department or agency by the Bank, with a copy provided to the [City] [Borough], as provided in the Act.

6. In the event Loan Obligations have been refunded and the interest rates the Bank is required to pay on its refunding bonds in any year are less than the interest rates payable by the [City] [Borough] on the Municipal Bond for the corresponding year pursuant to the terms of the Municipal Bond, then both the Municipal Bond Interest Payments and the Municipal Bond Principal Payments will be adjusted in such a manner that (i) the interest rate paid by the [City] [Borough] on any principal installment of the Municipal Bond is equal to the interest rate paid by the Bank on the corresponding principal installment of the Bank's refunding bonds and (ii) on a present value basis the sum of the adjusted Municipal Bond Interest Payments and Municipal Bond Principal Payments is equal to or less than the sum of the Municipal Bond Interest Payments and Municipal Bond Principal Payments due over the remaining term of the Municipal Bond as previously established under this Loan Agreement. In the event of such a refunding of Loan Obligations, the Bank shall present to the [City] [Borough] for the [City's] [Borough's] approval, a revised schedule of principal installment amounts and interest rates for the Municipal Bond. If approved by the [City] [Borough] the revised schedule shall be attached hereto as Exhibit A and incorporated herein in replacement of the previous Exhibit A detailing said principal installment amounts and interest rates.

7. The [City] [Borough] is obligated to pay to the Bank Fees and Charges. Such Fees and Charges actually collected from the [City] [Borough] shall be in an amount sufficient, together with the [City's] [Borough's] Allocable Proportion (as defined below) of other money available therefor under the provisions of the Bond Resolution, and other money available therefor, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Fund pursuant to Section 606 of the General Bond Resolution:

(a) to pay, as the same become due, the [City's] [Borough's] Allocable Proportion of the Administrative Expenses of the Bank; and

(b) to pay, as the same become due, the [City's] [Borough's] Allocable Proportion of the fees and expenses of the Trustee and paying agent for the Loan Obligations.

The [City's] [Borough's] Allocable Proportion as used herein shall mean the proportionate amount of the total requirement in respect to which the term is used determined by the ratio that the principal amount of the Municipal Bond outstanding bears to the total of all Loans then outstanding to all Governmental Units under the

General Bond Resolution, as certified by the Bank. The waiver by the Bank of any fees payable pursuant to this Section 7 shall not constitute a subsequent waiver thereof.

8. The [City] [Borough] is obligated to make the Municipal Bond Principal Payments scheduled by the Bank. The first such Municipal Bond Principal Payment is due at least seven (7) business days prior to the date indicated on Exhibit A appended hereto, and thereafter on the anniversary thereof each year. The [City] [Borough] is obligated to make the Municipal Bond Interest Payments scheduled by the Bank on a semi-annual basis commencing seven (7) business days prior to the date indicated on Exhibit A appended hereto, and to pay any Fees and Charges imposed by the Bank within 30 days of receiving the invoice of the Bank therefor.

9. The Bank shall not sell and the [City] [Borough] shall not redeem prior to maturity any portion of the Municipal Bond in an amount greater than the Loan Obligations which are then outstanding and which are then redeemable, and in the event of any such sale or redemption, the same shall be in an amount not less than the aggregate of (i) the principal amount of the Municipal Bond (or portion thereof) to be redeemed, (ii) the interest to accrue on the Municipal Bond (or portion thereof) to be redeemed to the next redemption date thereof not previously paid, (iii) the applicable premium, if any, payable on the Municipal Bond (or portion thereof) to be redeemed, and (iv) the cost and expenses of the Bank in effecting the redemption of the Municipal Bond (or portion thereof) to be redeemed. The [City] [Borough] shall give the Bank at least 50 days' notice of intention to redeem its Municipal Bond.

In the event the Loan Obligations with respect to which the sale or redemption prior to maturity of such Municipal Bond is being made have been refunded and the refunding bonds of the Bank issued for the purpose of refunding such Loan Obligations were issued in a principal amount in excess of or less than the principal amount of the Municipal Bond remaining unpaid at the date of issuance of such refunding bonds, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

In the event the Loan Obligations have been refunded and the interest the Bank is required to pay on the refunding bonds is less than the interest the Bank was required to pay on the Loan Obligations, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

In the event the Loan Obligations have been refunded, the amount which the [City] [Borough] shall be obligated to pay or the Bank shall receive under item (iii) above, when the refunded Loan Obligations are to be redeemed, shall be the applicable premium, if any, on the Loan Obligations to be redeemed.

Nothing in this Section shall be construed as preventing the [City] [Borough] from refunding the Municipal Bond in exchange for a new Municipal Bond in conjunction with a refunding of the Loan Obligations.

10. Simultaneously with the delivery of the Municipal Bond to the Bank, the [City] [Borough] shall furnish to the Bank evidence satisfactory to the Bank which shall set forth, among other things, that the Municipal Bond will constitute a valid and binding [general obligation] [special and limited obligation] of the [City] [Borough], secured by the [full faith and credit] [revenue of the _____] of the [City] [Borough].

11. Invoices for payments under this Loan Agreement shall be addressed to the [City] [Borough], Attention: _____, _____, _____, Alaska 99____. The [City] [Borough] shall give the Bank and the corporate trust office of the Trustee under the General Bond Resolution at least 30 days' written notice of any change in such address.

12. [The [City] [Borough] hereby agrees that it shall fully fund, at the time of loan funding, its debt service reserve fund (in an amount equal to \$_____) which secures payment of principal and interest on its Municipal Bond, that such fund shall be held in the name of the [City] [Borough] with the Trustee, and that the yield on amounts held in such fund shall be restricted to a yield not in excess of _____ percent. **(Applies to revenue bonds only.)**

13. [Rate covenant language – if applicable.]

14. The [City] [Borough] hereby agrees to keep and retain, until the date six years after the retirement of the Municipal Bond, or any bond issued to refund the Municipal Bond, or such longer period as may be required by the [City's] [Borough's] record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Municipal Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The [City] [Borough] agrees that all records required by the preceding sentence shall be made available to the Bond Bank upon request.

15. Prior to payment of the amount of the Loan or any portion thereof, and the delivery of the Municipal Bond to the Bank or its designee, the Bank shall have the right to cancel all or any part of its obligations hereunder if:

(a) Any representation, warranty or other statement made by the [City] [Borough] to the Bank in connection with its application to the Bank for a Loan shall be incorrect or incomplete in any material respect.

(b) The [City] [Borough] has violated commitments made by it in the terms of this Loan Agreement.

(c) The financial position of the [City] [Borough] has, in the opinion of the Bank, suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Municipal Bond to the Bank.

16. The obligation of the Bank under this Loan Agreement is contingent upon delivery of its General Obligation Bonds, 20__ Series _____ (the "20__ Series _____ Bonds") and receipt of the proceeds thereof.

17. The [City] [Borough] agrees that it will provide the Bank with written notice of any default in covenants under the [City] [Borough] [Ordinance] [Resolution] within thirty (30) days from the date thereof.

18. The [City] [Borough] agrees that it shall file its annual financial statement with the Municipal Securities Rulemaking Board not later than two hundred ten (210) days after the end of each fiscal year of the [City] [Borough] for the term of the Municipal Bond. The [City] [Borough] further agrees that filings under this Section 16 shall be made in connection with CUSIP Nos. 01179P, 011798 and 01179R. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Bank to the [City] [Borough]. The [City] [Borough] agrees that if it shall receive from the Bank CUSIP number(s) in addition to those set forth in this Section then it shall make its filings using both CUSIP numbers herein stated and any additional CUSIP number(s).

19. The [City] [Borough] agrees that it shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on the Municipal Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Municipal Bond is subject on the date of original issuance thereof.

The [City] [Borough] shall not permit any of the proceeds of the Municipal Bond, or any facilities financed with such proceeds, to be used in any manner that would cause the Municipal Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code.

The [City] [Borough] shall make no use or investment of the proceeds of the Municipal Bond which will cause the Municipal Bond to be an "arbitrage bond" under

Section 148 of the Code. So long as the Municipal Bond is outstanding, the [City] [Borough], shall comply with all requirements of said Section 148 and all regulations of the United States Department of Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect. The [City] [Borough] shall indemnify and hold harmless the Bank from any obligation of the [City] [Borough] to make rebate payments to the United States under said Section 148 arising from the [City's] [Borough's] use or investment of the proceeds of the Municipal Bond.

20. The [City] [Borough] agrees that if its bonds constitute twenty percent (20%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution, it shall execute a continuing disclosure agreement prepared by the Bank for purposes of Securities and Exchange Commission Rule 15c2-12, adopted under the Securities and Exchange Act of 1934.

21. The [City] [Borough] agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution it shall provide the Bank for inclusion in future official statements, upon request, financial information generally of the type included in Appendix D, under the heading "Summaries of Borrowers Representing 10% or More of Outstanding Principal of Bonds Issued Under the 2005 General Bond Resolution," to the Official Statement and attached hereto as Exhibit B.

22. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

23. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

24. No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other term or condition hereof, nor shall a waiver of any breach of this Loan Agreement be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

25. In this Loan Agreement, unless otherwise defined herein, all capitalized terms which are defined in Article I of the General Bond Resolution shall have the same

meanings, respectively, as such terms are given in Article I of the General Bond Resolution.

26. This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement the day and year first above written.

ALASKA MUNICIPAL BOND BANK

By: _____
DEVEN J. MITCHELL
Executive Director

[CITY] [BOROUGH] OF _____,
ALASKA

By: _____

Its: _____

EXHIBIT A

\$ _____
[City] [Borough], Alaska
[General Obligation] [Revenue] Bond, 20__[_]
("Municipal Bond")

<u>Due</u> _____ 1	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
-----------------------	-----------------------------------	--------------------------------

Principal installments shall be payable on _____ 1 in each of the years, and in the amounts set forth above. Interest on the Municipal Bond shall be payable on _____ 1, 20__, and thereafter on _____ 1 and _____ 1 of each year.

Prepayment Provisions: The Municipal Bond is not subject to prepayment prior to maturity.

Optional Prepayment: The Municipal Bond principal payments due on or after _____ 1, 20__ are subject to prepayment in whole or in part at the option of the [City] [Borough] on any date on or after _____ 1, 20__, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date of prepayment.

EXHIBIT B

DRAFT

**FORM OF
AMENDATORY LOAN AGREEMENT**

THIS AMENDATORY LOAN AGREEMENT, dated as of the ___ day of _____ 20___, between the Alaska Municipal Bond Bank (the "Bank"), a body corporate and politic constituted as an instrumentality of the State of Alaska (the "State") exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the "Act"), having its principal place of business at Juneau, Alaska, and _____, Alaska, a duly constituted _____ of the State (the "[City] [Borough]"):

WITNESSETH:

WHEREAS, pursuant to the Act, the Bank is authorized to issue bonds and loan money (the "Loans") to governmental units; and

WHEREAS, the [City] [Borough] is a "Governmental Unit" as defined in the General Bond Resolution of the Bank hereinafter mentioned and was authorized to accept a Loan from the Bank, evidenced by its municipal bond; and

WHEREAS, to provide for the issuance of bonds of the Bank in order to obtain from time to time money with which to make, and or refinance, municipal Loans, the Bank adopted its General Obligation Bond Resolution on July 13, 2005, as amended (the "General Bond Resolution"); and

WHEREAS, the Board of the Bank approved certain modifications to the General Bond Resolution, effective on the date when all bonds issued under the terms of the General Bond Resolution, prior to February 19, 2013, cease to be outstanding; and

WHEREAS, the Bank made a Loan to the [City] [Borough] from proceeds of the Bank's _____ Bonds, _____ Series __ ("_____ Series __ Bonds") in the amount of \$_____, evidenced by a Loan Agreement dated _____ 1, _____ (the "Loan Agreement") between the Bank and the [City] [Borough]; and

WHEREAS, the Bank's _____ Series __ Bonds were issued pursuant to the terms of the Bank's General Bond Resolution, adopted May 27, 1976, as amended and supplemented by a series resolution; **[or]** [WHEREAS, the Bank's _____ Series _____ Bonds were issued pursuant to the terms of the Bank's General Bond Resolution, adopted July 13, 2005, as amended and supplemented by a series resolution;] and

WHEREAS, as security for repayment of the Loan, the [City] [Borough] issued its _____ Bond, _____ Series __ of the [City] [Borough], dated _____, _____ (the "Municipal Bond") of which the Bank is the registered owner; and

WHEREAS, the Bank has determined that refunding a portion of the ____ Series ____ Bonds will result in a debt service savings thereon and on the Municipal Bond; and

WHEREAS, pursuant to the terms of the General Bond Resolution the Bank adopted Series Resolution No. 20__-__, approved on _____, 20__ (the "Series Resolution" and, together with the General Bond Resolution, the "Bond Resolution") authorizing the issuance of its General Obligation and Refunding Bonds, 20__ Series ____ (the "Refunding Bonds") to, in part, refund a portion of the ____ Series ____ Bonds; and

WHEREAS, to effect the proposed refunding and resulting debt service savings on the ____ Series ____ Bonds and the Municipal Bond, and to conform the terms of the Loan Agreement to the current practices of the Bank, it is necessary to amend the terms of the Loan Agreement and the Municipal Bond as provided herein.

NOW, THEREFORE, the parties agree as follows:

1. The Bank will refund a portion of the outstanding ____ Series ____ Bonds as provided in the Series Resolution. The amounts of the principal installments of the Municipal Bond corresponding to the refunded maturities of the ____ Series ____ Bonds, and the interest payable thereon, shall be adjusted pro rata in accordance with the debt service payable on the Refunding Bonds. The Municipal Bond henceforth shall mature in the principal amounts and bear interest at the rates per annum as stated on Exhibit A appended hereto.

2. The refunding Municipal Bond shall be subject to optional prepayment prior to maturity on and after the same date, and on the same terms as the Refunding Bonds may be subject to optional redemption.

3. Section [__] of the Loan Agreement is amended by replacing the current language with the following:

The [City] [Borough] agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution it shall provide the Bank for inclusion in future official statements, upon request, financial information generally of the type included in Appendix D of the Bank's Official Statement, dated ____ __, 20__, under the heading "Summaries of Borrowers Representing 10% or More of Outstanding Principal of Bonds Issued Under the 2005 Bond Resolution" to the Official Statement and attached hereto as Exhibit B.

The [City] [Borough] further agrees that if its bonds constitute twenty percent (20%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution, it shall execute a continuing disclosure agreement

prepared by the Bank for purpose of Securities and Exchange Commission Rule 15c2-12, adopted under the Securities and Exchange Act of 1934.

4. A new Section ___ is added to the Loan Agreement, as follows:

The [City] [Borough] agrees that it shall file its annual financial statement with the Municipal Securities Rulemaking Board not later than two hundred ten (210) days after the end of each fiscal year of the [City] [Borough] for the term of the Municipal Bond and any refunding Municipal Bond. The [City] [Borough] agrees filings under this Section ___ shall be made in connection with CUSIP Nos. 01179P, 011798 and 01179R. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Bank to the [City] [Borough]. The [City] [Borough] agrees that if it shall receive from the Bank CUSIP number(s) in addition to those set forth in this Section then it shall make its filings using both CUSIP numbers herein stated and any additional CUSIP number(s).

5. A new Section ___ is added to the Loan Agreement, as follows:

The [City] [Borough] hereby agrees to keep and retain, until the date six years after the retirement of the Municipal Bond, or any bond issued to refund the Municipal Bond, or such longer period as may be required by the [City's] [Borough's] record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Municipal Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The [City] [Borough] agrees that all records required by the preceding sentence shall be made available to the Bank upon request.

6. A new Section ___ is added to the Loan Agreement, as follows:

The [City] [Borough] hereby agrees that it shall fully fund, at the time of loan funding, its debt service reserve fund (in an amount equal to \$_____) which secures payment of principal and interest on its Municipal Bond, and that such fund shall be held in the name of the [City] [Borough] with the Trustee. The [City] [Borough] further agrees that the yield on amounts held in such debt service reserve account shall be restricted to a yield not in excess of _____ percent.

7. A new Section ___ is added to the Loan Agreement, as follows:

(a) The [City] [Borough] hereby certifies that all Municipal Bond proceeds, except for those proceeds that are accounted for as transferred proceeds in the arbitrage certificate for its refunding Municipal Bond, have been expended prior to the date hereof.

(b) The [City] [Borough] hereby certifies that all required rebate calculations relating to the Municipal Bond have been timely performed and the [City] [Borough] has remitted any necessary amount(s) to the Internal Revenue Service.

(c) The [City] [Borough] hereby certifies that the Municipal Bond, or any portion thereof, has not previously been advance refunded.

IN WITNESS WHEREOF, the parties hereto have executed this Amendatory Loan Agreement as of the date first set forth above.

ALASKA MUNICIPAL BOND BANK

By: _____
DEVEN J. MITCHELL
Executive Director

[CITY] [BOROUGH], ALASKA

By: _____

Its: _____

EXHIBIT A

_____, Alaska
_____, _____ Series __, As Amended on _____, 20__

Principal Sum of \$_____

Principal Payment Date
(_____ 1, 20__)

Principal
Amount

Interest
Rate

DRAFT

EXHIBIT B

DRAFT

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 6, 2015

**New Issue
Book-Entry Only**

**Fitch Rating: Applied For
Standard & Poor's Rating: Applied For
(See "Ratings" herein.)**

In the opinion of Bond Counsel, based on an analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other things, compliance by the Bond Bank and the Governmental Units with covenants relating to certain requirements in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2015 Series One Bonds is excludable from gross income of owners thereof for federal income tax purposes. Interest on the 2015 Series One Bonds is not treated as a tax preference item for purposes of either the individual or corporate alternative minimum tax. However, interest on the 2015 Series One Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein.

\$58,075,000*

**Alaska Municipal Bond Bank
General Obligation and Refunding Bonds, 2015 Series One**

Dated: Date of Delivery

Due: As shown on inside cover

The Alaska Municipal Bond Bank (the "Bond Bank") is issuing \$58,075,000* principal amount of General Obligation and Refunding Bonds, 2015 Series One (the "2015 Series One Bonds"). The 2015 Series One Bonds initially will be issued as fully registered bonds, in book-entry only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will serve as depository for the 2015 Series One Bonds. Individual purchases of the 2015 Series One Bonds will be made in principal amounts of \$5,000 or integral multiples thereof within a single maturity. Purchasers of the 2015 Series One Bonds will not receive certificates representing their beneficial ownership interests in the 2015 Series One Bonds. Interest on the 2015 Series One Bonds will accrue from the date of delivery of the 2015 Series One Bonds, or from the most recent interest payment date to which interest has been paid, and is payable on each April 1 and October 1, commencing October 1, 2015.

The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as the Trustee and Paying Agent for the 2015 Series One Bonds, will make principal and interest payments to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants. See "DESCRIPTION OF THE 2015 Series One BONDS" and "APPENDIX G – DTC AND BOOK-ENTRY SYSTEM."

The 2015 Series One Bonds are subject to redemption prior to their stated maturity dates. See "DESCRIPTION OF THE 2015 SERIES ONE BONDS – Optional Redemption, – Mandatory Redemption."

The 2015 Series One Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the punctual payment of the principal of and interest on the 2015 Series One Bonds. The 2015 Series One Bonds are equally and ratably secured by the pledge and assignment of all Municipal Bonds acquired by the Bond Bank under the Bond Bank's 2005 General Bond Resolution on a parity with other Bonds of the Bond Bank heretofore or hereafter issued under the 2005 General Bond Resolution. The 2015 Series One Bonds are the thirty-first series of Bonds issued under the 2005 General Obligation Bond Resolution.

The 2015 Series One Bonds do not constitute a debt or other liability of the State of Alaska, and the 2015 Series One Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2015 Series One Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2015 Series One Bonds. The Bond Bank has no taxing power. See "SECURITY FOR THE 2015 SERIES ONE BONDS."

The 2015 Series One Bonds are offered when, as and if issued, subject to the approving legal opinion of Wohlforth, Brecht & Cartledge of Anchorage, Alaska, Bond Counsel. Certain legal matters will be passed upon for the Governmental Units by their respective bond counsel and for the Underwriters by their counsel, Foster Pepper PLLC of Seattle, Washington. It is expected that the 2015 Series One Bonds in definitive form will be issued and available by Fast Automated Securities Transfer for delivery through the facilities of DTC in New York, New York, on or about March __, 2015.

* - Preliminary, subject to change.

RBC Capital Markets

JP Morgan

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$58,075,000*
Alaska Municipal Bond Bank
General Obligation and Refunding Bonds
2015 Series One

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Due October 1	Amount	Interest Rate	Yield	CUSIP Number ⁽¹⁾ 01179R	Due October 1	Amount	Interest Rate	Yield	CUSIP Number ⁽¹⁾ 01179R
2015	4,145,000	%	%		2025	3,055,000	%	%	
2016	4,220,000				2026	3,000,000			
2017	4,290,000				2027	3,155,000			
2018	3,930,000				2028	2,765,000			
2019	5,075,000				2029	1,570,000			
2020	4,330,000				2030	1,650,000			
2021	2,635,000				2031	1,725,000			
2022	2,775,000				2032	1,825,000			
2023	2,835,000				2033	1,910,000			
2024	2,925,000				2034	260,000			

\$ _____ .__% Term Bond due October 1, 20__; yield __. __%
CUSIP Number 01179R ____

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* - Preliminary, subject to change.

This Official Statement is furnished by the Bond Bank to provide information regarding the sale of the 2015 Series One Bonds referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. The delivery of this Official Statement does not imply that information herein is correct as of any time subsequent to the date hereof. No dealer, salesman or any other person has been authorized by the Bond Bank to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer of any securities other than those described on the cover page or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such an offer, solicitation, or sale.

The information and expressions of opinion set forth in this Official Statement have been furnished by the Bond Bank and include information from other sources that the Bond Bank believes to be reliable. Neither this Official Statement nor any statement which may have been made orally is to be construed as a contract with the owners of any of the 2015 Series One Bonds.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information set forth in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

UPON ISSUANCE, THE 2015 SERIES ONE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE, OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BOND BANK, WILL HAVE PASSED ON THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE 2015 SERIES ONE BONDS FOR SALE. THE 2005 GENERAL BOND RESOLUTION WILL NOT BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED.

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ALASKA MUNICIPAL BOND BANK
333 Willoughby Avenue, 11th Floor
P.O. Box 110405
Juneau, Alaska 99811-0405
(907) 465-2388
<http://www.revenue.state.ak.us/treasury/ambba/>

Board of Directors

Mark Pfeffer - Chair
Luke Welles - Vice Chair
Gregory Gurse - Member
Susan Bell - Member
(Ted Leonard - First Delegate to Susan Bell)
_____ - Member
(Pamela Leary - First Delegate to _____)

Executive Director

Deven J. Mitchell

Bond Counsel

Wohlforth, Brecht & Cartledge, APC
Anchorage, Alaska

Trustee

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

Municipal Advisor

Western Financial Group, LLC
Portland, Oregon

The reference above to the Bond Bank's website is contact information provided only for convenience. The reference is not a hyperlink and, by this reference, the Bond Bank's website is not incorporated into this Official Statement.

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OFFICIAL STATEMENT

\$58,075,000*

ALASKA MUNICIPAL BOND BANK GENERAL OBLIGATION AND REFUNDING BONDS 2015 SERIES ONE

INTRODUCTION

This Official Statement is furnished by the Alaska Municipal Bond Bank (the "Bond Bank") to provide information regarding the Bond Bank in connection with the sale of its \$58,075,000* principal amount of General Obligation and Refunding Bonds, 2015 Series One (the "2015 Series One Bonds"). The Bond Bank was created pursuant to Alaska Statutes 44.85.005 – 44.85.420, as amended (the "Act"), for the primary purpose of lending money to Governmental Units in the State of Alaska (the "State") including the purchase of Municipal Bonds issued by such Governmental Units. Certain capitalized terms used in this Official Statement, and not otherwise defined herein, are defined under "DEFINITIONS."

All references herein to agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the 2015 Series One Bonds are further qualified by reference to the information with respect thereto contained in the 2005 General Obligation Bond Resolution, adopted by the Board of Directors of the Bond Bank on July 13, 2005, as amended on August 19, 2009 and February 19, 2013 (the "2005 General Bond Resolution"), and Series Resolution No. 2015-__ adopted by the Board of Directors of the Bond Bank on February 3, 2015 (the "Series Resolution," and together with the 2005 General Bond Resolution, the "Bond Resolution"). All bonds which are issued under and pursuant to the terms of the 2005 General Bond Resolution are hereafter referred to as the "Bonds." Any statements or information which include matters of opinion or estimates are represented as opinions or estimates in good faith, but no assurance can be given that the facts will materialize as so opined or estimated.

Appendix D contains financial, economic and demographic summary information relating to the Governmental Units whose Municipal Bonds represent 10 percent or more of the Loan Obligations outstanding under the 2005 General Bond Resolution.

PURPOSE OF THE 2015 SERIES ONE BONDS

Authorization and Purpose

The 2015A Series One Bond proceeds are being used for the following purposes: (i) to make two loans to Governmental Units for new money purposes; (ii) to refund bonds previously issued by the Bond Bank; and (iii) to pay a portion of the costs of issuance of the 2015 Series One Bonds. A portion of the proceeds of the 2015 Series One Bonds will be loaned: (a) to the City of Cordova to fund street improvements; and (b) to the City of Craig to fund improvements to the City's aquatic center.

Refunding. A portion of the proceeds of the 2015 Series One Bonds is being used to refund and redeem certain outstanding bonds of the Bond Bank (the "Refunded Bonds") which are listed in the table on following page.

* - Preliminary, subject to change.

DETAILS OF THE REFUNDING CANDIDATES

<u>Series Designation</u>	<u>Principal Amount¹</u>	<u>Maturities</u>	<u>Redemption Date</u>
2005 Series A	\$16,120,000	October 1, 2015 to October 1, 2020	April 16, 2015
2005 Series B	2,235,000	May 1, 2016 to May 1, 2019	May 1, 2015
2006 Series A	4,500,000	February 1, 2016 to February 1, 2026	February 1, 2016
2008 Series Two	4,390,000	June 1, 2019 to June 1, 2028	June 1, 2018
2009 Series One	19,265,000	September 1, 2019 to September 1, 2033	September 1, 2018
2009 Series Two	10,630,000	February 1, 2020 to February 1, 2029	February 1, 2019

(1) All Refunded Bonds subject to call are callable at a price of par on the redemption date.

(2) Reflects partial redemption of certain maturities.

Refunding Plan

A portion of the net proceeds from the sale of the 2015 Series One Bonds will be deposited in a redemption account (the "Redemption Account") and used, together with other legally available funds, to deposit cash and to purchase Escrow Obligations (as defined below) to be held by The Bank of New York Trust Company, N. A., San Francisco, California, (the "Escrow Agent") under an escrow deposit agreement (the "Escrow Deposit Agreement"), dated the date of delivery of the 2015 Series One Bonds, between the Bond Bank and the Escrow Agent. Funds deposited in the Redemption Account will be used to purchase direct obligations of, or obligations on which the principal and interest are unconditionally guaranteed by, the United States of America (the "Escrow Obligations"). The Escrow Obligations will mature at such times and pay interest in such amounts so that, with other available funds held by the Escrow Agent under the Escrow Deposit Agreement, sufficient moneys will be available to pay the interest on the Refunded Bonds coming due on and prior to their respective redemption or purchase dates and to pay the redemption price of the Refunded Bonds on their redemption dates. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

Sources and Uses of Funds

The table below presents the sources and uses of funds related to the 2015 Series One Bonds.

Sources of Funds:

Par Amount of 2015 Series One Bonds	\$
Net Original Issue Premium/(Discount)	
Alaska Municipal Bond Bank Contribution	
Total Sources of Funds	\$

Uses of Funds:

Deposit to Redemption Account	\$
Loan to the City of Cordova	
Loan to the City of Craig	
Deposit to the Bond Bank Reserve Fund	
Costs of Issuance	
Underwriters' Discount	
Total Uses of Funds	\$

DESCRIPTION OF THE 2015 SERIES ONE BONDS

General Description

The 2015 Series One Bonds are issuable only as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), as securities depository for the 2015 Series One Bonds. Principal of and interest on the 2015 Series One Bonds are payable by The Bank of New York Mellon Trust Company, N.A., of San Francisco, California, as Trustee under the 2005 General Bond Resolution, to DTC which, in turn, is obligated to disburse such principal and interest payments to its participants (the “DTC Participants”) in accordance with DTC procedures. See “Appendix G – DTC and Book-Entry System.”

2015 Series One Bonds

The 2015 Series One Bonds mature on the dates and bear interest at the rates set forth on the inside cover page of this Official Statement. The 2015 Series One Bonds are issuable in denominations of \$5,000 or any integral multiple thereof within a single maturity, are dated as of the date of delivery and bear interest from their date payable on October 1, 2015, and semiannually thereafter on each October 1 and April 1 to their date of maturity or prior redemption, whichever may occur first.

Optional Redemption

The 2015 Series One Bonds maturing on or after October 1, 2025, are subject to redemption in whole or in part at the option of the Bond Bank on any date on or after October 1, 2024, at a price of 100% of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption. The Governmental Units may prepay their loans on terms identical to the optional redemption provisions associated with the 2015 Series One Bonds.

Mandatory Redemption

The 2015 Series One Bonds maturing on October 1, 20___, are subject to mandatory sinking fund redemption on October 1 of the years and in the principal amounts set forth in the following table. Any such redemption shall be at a price equal to 100 percent of the principal amount to be redeemed plus accrued and unpaid interest thereon to the date fixed for redemption, but without premium.

<u>Date</u>	<u>Principal Amount</u>
October 1, 20__	\$
October 1, 20__*	

* Maturity

Notice of Redemption

At least 30 days, but not more than 60 days, prior to the date upon which any 2015 Series One Bonds are to be redeemed, the Trustee will mail a notice of redemption to the registered owner of any 2015 Series One Bond all or a portion of which is to be redeemed, at the owner’s last address appearing on the registration books of the Bond Bank kept by the Trustee. When all of the 2015 Series One Bonds are held under the DTC book-entry system, such notice will be sent to DTC, and any notice to the beneficial owners of the 2015 Series One Bonds will be the responsibility of DTC Participants. Neither the Bond Bank nor the Trustee will provide redemption notices to the beneficial owners.

Selection of 2015 Series One Bonds for Redemption

If fewer than all of the 2015 Series One Bonds are to be redeemed prior to maturity, the Bond Bank may select the maturity or maturities to be redeemed at the option of the Bond Bank. If, at the time notice of redemption is given the 2015 Series One Bonds are in book-entry form, then DTC will select the 2015 Series One Bonds for redemption within a maturity in accordance with the Letter of Representations. The 2005 General Bond Resolution provides that if less than all of the Bonds of any one maturity of a Series are called for redemption and the Bonds are not in book-entry form, the Bonds to be redeemed are to be selected by lot by the Trustee or in any manner as the Trustee, in its sole discretion, may deem appropriate and fair. See “Appendix G – DTC and Book-Entry System.”

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SECURITY FOR THE 2015 SERIES ONE BONDS

General

The 2015 Series One Bonds constitute general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged to the payment of the principal of and interest on the 2015 Series One Bonds. **The 2015 Series One Bonds do not constitute an indebtedness or other liability of the State of Alaska, and the 2015 Series One Bonds do not directly, indirectly or contingently obligate the State of Alaska to levy any form of taxation or make any appropriation for the payment of the 2015 Series One Bonds. Neither the faith and credit nor the taxing power of the State of Alaska is pledged for the payment of the 2015 Series One Bonds. The Bond Bank has no taxing power.**

As of March 1, 2015, not taking into account the issuance of the 2015 Series One Bonds, the Bond Bank has outstanding \$27,785,000 of general obligation bonds issued under its 1976 General Bond Resolution, \$871,810,000 of Bonds issued under its 2005 General Bond Resolution and \$4,295,000 of general obligation bonds issued under its 2010 Municipal Obligation Bond Resolution.

As additional security for payment of principal of and interest on the 2015 Series One Bonds and other Bonds issued under the 2005 General Bond Resolution, the Bond Bank has established a common Reserve Fund. See “SECURITY FOR THE 2015 SERIES ONE BONDS – 2005 General Bond Resolution Reserve Fund.” The Act provides that in order to ensure the maintenance of the Reserve Fund Requirement, the Chair of the Bond Bank is annually required (before each January 30) to make and deliver to the Governor and to the State Legislature a certificate stating the amount, if any, required to restore the Reserve Fund to the amount of the Reserve Fund Requirement. Money received by the Bond Bank from the State pursuant to such certification will, to the extent such certification was occasioned by the fact that the amount in the Reserve Fund was less than the Reserve Fund Requirement, be deposited in the Reserve Fund. The State Legislature is legally authorized, but not legally obligated, to appropriate such sums during the then current State fiscal year. This provision of the Act does not create a debt obligation on behalf of the State or a legally enforceable obligation of the State.

Beginning in 2009, and continuing through the current fiscal year 2015, the Bond Bank has been obligated to seek and has obtained a standing appropriation within the State’s annual operating budget to replenish the Reserve Fund, if necessary. The 2005 General Bond Resolution requires the Bond Bank to seek this standing appropriation on annual basis. No such replenishment from State appropriation has been necessary. If the Bond Bank must draw on the Reserve Fund because of a default by a Governmental Unit, the standing appropriation provides that an amount equal to the amount drawn from the Reserve Fund is appropriated from the State’s General Fund to the Reserve Fund. There is no guarantee that the Bond Bank will be able to secure future standing appropriations within the State’s operating budget for replenishment of the Reserve Fund.

Pledge Effected by the 2005 General Bond Resolution

Pursuant to the 2005 General Bond Resolution, all Municipal Bonds, all Municipal Bonds Payments, the investments thereof and the proceeds of such investments, and all funds and accounts established by the 2005 General Bond Resolution, are pledged and assigned to the Trustee, equally and ratably, to secure the payment of the principal of, redemption premium, if any, and interest on all Bonds, subject only to the provisions of the 2005 General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions specified in the 2005 General Bond Resolution.

The Act and the 2005 General Bond Resolution provide among other things that (i) any pledge made in respect of the Bonds will be valid and binding from the time the pledge is made, (ii) the Municipal Bonds, the Municipal Bonds Payments and all other money and securities so pledged and thereafter received by the Bond Bank immediately will be subject to the lien of such pledge without any further act, and (iii) the lien of any such pledge will be valid and binding against all parties having any claims of any kind in tort, contract or otherwise against the Bond Bank irrespective of whether the parties have notice.

Municipal Bonds

Under the provisions of the Act and the 2005 General Bond Resolution, the Bond Bank can purchase Municipal Bonds from any Governmental Unit. The 2005 General Bond Resolution defines Municipal Bonds as “general obligation bonds, revenue bonds, notes or other evidences of debt issued by any Governmental Unit as now or hereafter defined in the Act which have heretofore been or will hereafter be acquired by the Bond Bank as evidence of a Loan to the Governmental Unit pursuant to the Act.”

For each issue of Municipal Bonds that the Bond Bank purchases, the Bond Bank will obtain a bond counsel’s opinion stating that (a) such Municipal Bonds are valid debt obligations of such Governmental Unit as required by the Act and (b) a Loan Agreement has been duly authorized and executed between the Bond Bank and the Governmental Unit that constitutes a valid and binding obligation of the Governmental Unit.

Each Loan Agreement obligates a Governmental Unit to (a) make interest payments on its Municipal Bond sufficient in amount and at such times to provide the Bond Bank funds to meet interest payments on its Loan Obligations as they become due; and (b) make principal payments on its Municipal Bond sufficient in amount and at such times to provide the Bond Bank funds to meet principal payments on its Loan Obligations as they become due. Pursuant to the Loan Agreement, the Governmental Unit may be required to pay fees and charges to the Bond Bank to meet the Governmental Unit’s allocable portion of certain expenses. Each Loan Agreement also contains restrictions on the sale or redemption of Municipal Bonds.

2005 General Bond Resolution Reserve Fund

The 2005 General Bond Resolution established the Reserve Fund to be held by the Trustee and maintained at an amount equal to the Reserve Fund Requirement. The Reserve Fund Requirement is equal to the least of the following: (i) 10% of the initial principal amount of each Series of Bonds then Outstanding; (ii) Maximum Annual Debt Service with respect to all Bonds Outstanding; (iii) 125% of Average Annual Debt Service on all Bonds Outstanding; or (iv) such lower amount as may be required by law. See “DEFINITIONS – Required Debt Service Reserve.” The Reserve Fund has been funded with Bond proceeds and cash deposits from the Bond Bank. The Reserve Fund does not contain any surety policies or other forms of liquidity facility. The Reserve Fund Requirement may, however, be satisfied entirely, or in part, by a letter of credit, line of credit, credit facility, surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds. As of December 31, 2014, the accreted valuation of assets in the Reserve Fund was approximately \$___ million (unaudited), an amount sufficient to satisfy the Reserve Fund Requirement. As of that date, approximately 67% of the assets in the Reserve Fund were funded from cash deposits by the Bond Bank from the Custodian Fund or from transfers from the 1976 Resolution Reserve Fund.

The 2005 General Bond Resolution requires the Bond Bank to annually submit to the State a budget request for an appropriation to replenish the Reserve Fund to the Reserve Fund Requirement in the event that there is a deficiency as a result of a default by a borrower. Since 2009, and continuing through fiscal year 2015, the State has included in its operating budget a standing appropriation to replenish the Reserve Fund, if necessary. The second session of the 28th Alaska Legislature passed Committee Substitute for House Bill 266 authorizing the State's annual operating budget (for fiscal year 2015) which includes a standing appropriation in Section 27 - Fund Capitalization to replenish the Bond Bank's Reserve Fund for fiscal year 2015 in the event of a deficiency as a result of a default by a borrower. While the Bond Bank has been obligated to seek and has obtained such a

standing appropriation within the State’s annual operating budget, the State is not obligated, legally or otherwise, to include the appropriation in its annual operating budget. This credit feature is in addition to the moral obligation feature discussed below.

On or before December 31 of each year, and subject to the requirements of the 2005 General Bond Resolution, the Trustee will transfer from the Reserve Fund any amounts remaining in the Reserve Fund derived from income or interest earned and profits realized by the Reserve Fund due to investments thereof to the Operating Fund, but only to the extent that there remains after such transfer an amount in the Reserve Fund equal to the Required Debt Service Reserve. See “SUMMARY OF THE 2005 GENERAL BOND RESOLUTION – Funds and Accounts – Reserve Fund.”

Moral Obligation. The Bond Bank is required to deliver a statement to the Governor and the State Legislature annually, before January 30, stating the amount, if any, necessary to restore the Reserve Fund to the Required Debt Service Reserve resulting from a draw on the Reserve Fund at any time during the prior year. The State Legislature may, but is under no legal obligation to, appropriate money sufficient to restore the Reserve Fund to the Required Debt Service Reserve. The Bond Bank has never reported a deficiency in any of the reserve funds held by the Bond Bank.

Custodian Account. Money not held by the Trustee in the Reserve Fund or in reserves for bonds issued under other bond resolutions is maintained by the Bond Bank in an account herein referred to as the Custodian Account (the “Custodian Account”). The Custodian Account contains direct and indirect State appropriations, prior year retained earnings not subject to the statutory annual earnings transfer, and current year investment earnings. As of June 30, 2014, the Custodian Account cash and cash equivalents and investments at fair value balance (audited) was \$17,773,506. As of December 31, 2014 the Custodian Account market value balance (unaudited) was \$_____.

The Act requires that earnings on funds directly appropriated by the State to the Bond Bank be transferred to the State in the following fiscal year. However, starting in fiscal year 2009, and continuing through fiscal year 2015, all fiscal year earnings due to the State’s general fund by statute have been appropriated to the Bond Bank’s Custodian Account. The State Legislature may, but is under no legal obligation to, appropriate statutory earnings back to the Bond Bank. The entire Custodian Account balance is available for appropriation by the State Legislature, with a majority vote and the Governor’s concurrence or a three-quarter majority vote to overcome a Governor’s veto of the appropriation, during any Legislative session. The Legislature has not appropriated funds out of the Custodian Account for non-Bond Bank related purpose in the current, or any prior fiscal year.

State Payments

The Act provides that any department or agency of the State, after notice from the Bond Bank that a Governmental Unit is in default on the payment of the principal of or interest on its Municipal Bonds then held or owned by the Bond Bank, will withhold the payment of money held by it and payable to such Governmental Unit and pay over such money to the Bond Bank for the purpose of paying principal of and interest on the bonds of the Bond Bank. State payments to Governmental Units include payments through the School Debt Reimbursement Program and Education Support Funding through the Department of Education and Early Development; and community jail funding through the Department of Corrections. A table appears in Appendix B that presents the amount of State payments to communities that have borrowed from the Bond Bank as well as the maximum annual loan payments and associated estimated coverage provided by those State payments. There is no guarantee that State payments will continue or remain at the current levels.

The payment and amount of such State payments is uncertain, and Legislative authorization for such payments is subject to appropriation and amendment or repeal. See “APPENDIX B – STATE PAYMENTS TO GOVERNMENTAL UNITS.” The Bond Bank has never implemented the State payment intercept remedy.

Pledge of the State

Pursuant to the Act, the State has pledged and agreed with the holders of the Bonds that it will not limit or restrict the rights vested in the Bond Bank by the Act to, among other things, purchase, hold and dispose of Municipal Bonds and fulfill the terms of an agreement (including the 2005 General Bond Resolution) made by the Bond Bank with such holders, or in any way impair the rights or remedies of such holders until the Bonds, including interest on the Bonds and interest on unpaid installments of interest and all costs and expenses in connection with an action or proceeding by or on behalf of such holders, are fully met, paid and discharged.

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THE ALASKA MUNICIPAL BOND BANK

Organization

The powers of the Bond Bank are vested in the Directors. The membership of the Bond Bank consists of five Directors: the Commissioners of the Department of Revenue and the Department of Commerce, Community and Economic Development of the State and three Directors appointed by the Governor. The three appointees serve four-year staggered terms and must be qualified voting residents of the State. The Commissioners of the Department of Revenue and the Department of Commerce, Community and Economic Development may appoint delegates to the Bond Bank Board of Directors to serve in their absence.

Per statute, the Directors elect one of their members as chair and one of their members as vice-chair and also elect a secretary and treasurer who need not be Directors in the first meeting of each fiscal year. Action may be taken and motions and resolutions adopted by the Bond Bank at any meeting by the affirmative vote of at least three Directors. The Directors appoint an Executive Director to manage the business of the Bond Bank.

Board of Directors

The Bond Bank's Board of Directors includes members listed below.

Mark Pfeffer - Chair. Term expires July 15, 2017. Mr. Pfeffer was originally appointed to the Board on October 10, 2001. Mr. Pfeffer is a registered architect who owns an architectural practice in Anchorage, Alaska. He is active in the development, design and management of commercial real estate projects, many of which include public/private partnerships. He is President of Pfeffer Development, LLC. Mr. Pfeffer received a Bachelor of Architecture Degree from the University of Nebraska in 1980.

Luke Welles - Vice-Chair. Term expires July 15, 2015. Mr. Welles was originally appointed to the Board on May 21, 2008. Mr. Welles became Vice President of Finance of the Arctic Slope Native Association, Ltd in March 2011. Prior to his current job he served as Chief Financial Officer of LifeMed Alaska, LLC, which provides medivac services in Alaska. Previously, Mr. Welles was the Chief Financial Officer for the Yukon Kuskokwim Healthcare Corporation which administers healthcare in 52 rural communities including a hospital located in Bethel, Alaska. He has management experience in healthcare, civil construction and commercial real estate. Over the past 15 years he has served on several economic development commissions in the State, as a city council member in Homer, Alaska and on multiple boards. Mr. Welles received a Bachelor of Arts Degree in Foreign Service and International Business from Baylor University in 1989.

Gregory Gursej - Member. Term expires July 15, 2018. Mr. Gursej was appointed to the Board on June 22, 2009. Mr. Gursej became President of Benefit Brokers, Inc. in 2001, after working as Vice President of Investments for Wedbush Morgan Securities for 11 years. Mr. Gursej also serves as a FINRA industry arbitrator in both civil and industry arbitration cases. After graduating from the University of Alaska Anchorage with a degree in finance, Mr. Gursej became involved with the University of Alaska Foundation. He served as the first Chairman of the UAA College of Fellows, served as a Trustee to the UA Foundation, and was a member of the Investment Committee to the UA Foundation. Mr. Gursej has served on both the State of Alaska Dental Examiner's Board and the U.S. Treasury Department's Taxpayer Advocacy Panel. He served on the Investment Commission for the Municipality of Anchorage and several other local boards.

Ted Leonard - Member. Mr. Leonard is the first delegate for Susan Bell, Commissioner of the Department of Commerce, Community and Economic Development. Mr. Leonard was appointed Executive Director of the Alaska Industrial Development and Export Authority (AIDEA) on May 19, 2008. He was most recently the Deputy Commissioner of the Department of Commerce, Community and Economic Development. In the Deputy Commissioner capacity, he oversaw the regulatory divisions of the department which included the Division of Insurance, the Division of Banking and Securities, and the Division of Corporations, Business and

Professional Licensing. He served as the Commissioner's designee on the boards of the Alaska Housing Finance Corporation, Alaska Aerospace Development Corporation, and Alaska Community Service Commission. Mr. Leonard has worked for the last 19 years in both the government and private sector in the areas of finance and accounting in Alaska including the Mat-Su and Lower Kuskokwim School Districts as well as the City of Dillingham. He also served as the Director of Finance and Administrative Services for the City of Wasilla. He received his undergraduate degree from the College of Idaho and a Masters of Management from Willamette University. He is a Certified Management Accountant and Senior Professional in Human Resources.

Pamela Leary - Member. Ms. Leary is the first delegate for [REDACTED], Commissioner of the Department of Revenue. She is the Director of Treasury Division in the Department of Revenue and acts as the State Treasurer. She previously served in the Department as State Comptroller from 2007 through 2013. Ms. Leary began her career as an auditor with Price Waterhouse and became a partner in the firm PricewaterhouseCoopers. After moving to Alaska, Leary owned and operated a business before reentering the accounting profession with the Alaska Permanent Fund Corporation. She holds a bachelor's degree in economics from the Wharton School, University of Pennsylvania, and is a certified public accountant in the State of Alaska.

Management

Deven J. Mitchell, who also serves as State Debt Manager and Investment Officer in the Department of Revenue – Division of Treasury, was appointed Executive Director of the Bond Bank in 1999. Mr. Mitchell has worked for the State Department of Revenue since 1992. He previously held several positions in Alaska financial institutions. Mr. Mitchell holds a Bachelor of Science Degree in Business Administration from Northern Arizona University.

Rather than employ staff, the Bond Bank contracts in the private sector for a wide range of professional services. The Executive Director coordinates the activities of these professionals, which include bond counsel, financial advisor, accountants, auditors, fund trustees, bond trustees and investment managers.

Future Financing Plans

The Bond Bank anticipates issuing additional bonds pursuant to its 2005 General Bond Resolution or other bond resolutions within the next 12 months. The principal amount of such additional bonds depends on the number and size of the applications for Bond Bank financing from Governmental Units.

The 28th Alaska Legislature passed Senate Bill 218 ("SB 218"), which authorizes the Bond Bank to make a loan(s) to the University of Alaska in a principal amount not to exceed \$87.5 million for purposes of financing a portion of the design, construction, acquisition and construction of a new heat and power plant located at the University of Alaska Fairbanks.

The total amount of Bond Bank bonds and notes outstanding at any one time may not exceed \$1.588 billion. As of March 1, 2015, the total principal amount of the Bond Bank's bonds and notes outstanding, not including the 2015 Series One Bonds, was \$914,312,144.

Debt Payment Record

The Bond Bank has always made principal and interest payments on its general obligation and revenue bonds when due. No deficiencies have arisen in any Bond Bank debt service fund or reserve fund, nor has there been a need to exercise the provision requiring that State payments to Governmental Units be paid to the Bond Bank.

BONDS OUTSTANDING

Under the provisions of the Act, the Bond Bank can issue additional series of Bonds under its 2005 General Bond Resolution or issue bonds under other resolutions. The Bond Bank currently has bonds outstanding under the following resolutions:

1976 General Bond Resolution

As of March 1, 2015, the Bond Bank has issued \$721,985,000 of general obligation bonds under the 1976 General Bond Resolution, \$27,785,000 of which remain outstanding.

2005 General Bond Resolution

The 2015 Series One Bonds are the thirty-first issue of Bonds under the 2005 General Bond Resolution. As of March 1, 2015, the Bond Bank has issued \$1,026,155,000 of general obligation bonds under the 2005 General Bond Resolution (not including the principal amount of the 2015 Series One Bonds), \$871,810,000 of which remains outstanding.

2010 Municipal Obligation Bond Resolution

On November 2, 2010, the Bond Bank's Board of Directors approved the 2010 Municipal Obligation Bond Resolution ("2010 Resolution"). Bonds issued pursuant to the terms of the 2010 Resolution are general obligation bonds, equally and ratably secured by a pledge and assignment of all obligations acquired by the Bond Bank under the 2010 Resolution. As of March 1, 2015, the Bond Bank has issued \$4,765,000 of general obligation bonds under the 2010 Resolution, \$4,295,000 of which remains outstanding.

Revenue Bond Resolutions

The Authority (with respect to the issuance of revenue bonds the Bond Bank is referred to as the Authority) has issued revenue bonds under stand-alone revenue bond resolutions. The proceeds of these revenue bonds are applied toward the purchase of revenue bonds issued by municipal borrowers. A list of the outstanding revenue bond resolutions, amount of bonds outstanding and obligated municipal borrowers appears in the table titled "TOTAL BOND BANK BONDS ISSUED AND OUTSTANDING AS OF MARCH 1, 2015" herein.

Coastal Energy Impact Program

The Bond Bank issued bonds to provide loans to local governments that qualified for aid under the Coastal Energy Impact Program ("CEIP"). CEIP is a federal program designed to provide financial assistance to coastal states and municipalities facing impacts from offshore oil development. The United States Department of Commerce, National Oceanic and Atmospheric Administration ("NOAA") and the Bond Bank entered into an agreement whereby the Bond Bank was the direct lending agency for the CEIP in the State, with \$50 million available to make loans to local governments or to establish reserves for loans to local governments.

The Bond Bank issued CEIP bonds, the proceeds of which were used to purchase bonds issued by the Kenai Peninsula Borough, the City of Seward, the City of Nome and the City of St. Paul. The total amount of CEIP bonds outstanding as of March 1, 2015, under the Coastal Energy Impact Loan Program was \$10,422,144, consisting of loans to the City of St. Paul and the City of Nome.

The CEIP loans are administered directly by NOAA without involvement of the Bond Bank. Bonds issued for the CEIP are not secured by a pledge of any amounts held by or payable to the Bond Bank under the 2005 General Bond Resolution, including the Reserve Fund, nor are they secured directly or indirectly by any reserve account created under the Act.

Direct Loans

The Bond Bank has purchased certain bond anticipation notes and defeased certain Bond Bank bonds with money from the Custodian Account while retaining underlying communities' bonds.

As of March 1, 2015, the Bond Bank holds \$1,559,941 of City of Galena Utility Revenue Bonds and \$169,728 of City of Galena appropriation obligations in its financial portfolio. The loans to the City of Galena are the result of Legislative appropriation to the Bond Bank specifically for this purpose.

Loans by the State of Alaska

The Bond Bank has the statutory authority to borrow funds from the State of Alaska's general fund at the discretion of the Commissioner or the Department of Revenue. In November 2010 and August 2011 the Bond Bank borrowed \$6.0 million and \$7.0 million, respectively from the State for authorized uses of the Bond Bank. The State of Alaska's fiscal year 2013 capital budget converted the 2010 and 2011 loans to grants through a \$13.2 million appropriation to the Bond Bank that was effective April 15, 2012. This amount reflected the original loan amounts plus interest accrued on those loans. The Bond Bank does not have any outstanding loans from the State at this time.

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TOTAL BOND BANK BONDS ISSUED AND OUTSTANDING AS OF MARCH 1, 2015

	<u>Original Amount Issued</u>	<u>Amount Outstanding</u>
I. Total 2005 General Bond Resolution G.O. Bonds ⁽¹⁾	\$1,084,230,000 ⁽¹⁾	\$897,725,000 ⁽¹⁾
II. Total 1976 General Bond Resolution G.O. Bonds	721,985,000	4,930,000
III. Total 2010 Resolution G.O. Bonds	4,765,000	4,295,000
IV. Coastal Energy Impact Loan Program	35,456,046	10,422,144

REMAINING DEBT CAPACITY AFTER THE ISSUANCE OF THE 2015 SERIES ONE BONDS

Debt Limit (Section 44.85.180 of the Act)		\$1,587,500,000 ⁽²⁾
Less Outstanding Bonds		
General Obligation Bonds		
1976 General Bond Resolution	\$4,930,000	
2010 Resolution	4,295,000	
2005 General Bond Resolution	897,725,000 ⁽¹⁾	\$906,950,000 ⁽¹⁾
Coastal Energy Loan Program		<u>10,422,144</u>
Total Outstanding Debt		\$917,372,144 ⁽¹⁾
Remaining Debt Capacity		<u>\$670,127,856⁽¹⁾</u>

(1) Includes the 2015 Series One Bonds.

(2) The limit applies to all outstanding bonds or notes issued by the Bond Bank.

**DEBT SERVICE REQUIREMENTS OF
OUTSTANDING 2005 GENERAL BOND RESOLUTION
GENERAL OBLIGATION BONDS
AND THE 2015 SERIES ONE BONDS⁽¹⁾
(Fiscal Years Ending June 30)**

Fiscal Year	Existing Debt Service ²	2015 Series One Principal	2015 Series One Interest	Total Debt Service
2015	\$84,141,967	\$	\$	\$
2016	87,003,025			
2017	86,163,448			
2018	88,808,626			
2019	84,831,535			
2020	80,841,284			
2021	77,576,539			
2022	74,463,122			
2023	76,364,182			
2024	69,780,994			
2025	60,047,223			
2026	55,453,759			
2027	51,634,728			
2028	52,463,487			
2029	47,689,845			
2030	39,327,571			
2031	38,342,837			
2032	34,254,923			
2033	33,747,978			
2034	25,858,022			
2035	17,971,010			
2036	17,681,981			
2037	13,331,052			
2038	13,055,535			
2039	11,439,303			
2040	9,620,800			
2041	9,623,575			
2042	9,625,700			
2043	9,631,100			
2044	9,634,075			
2045	7,049,000			
2046	5,429,750			
2047	5,428,500			
2048	2,155,000			
2049	2,152,500			
	\$1,392,623,974	\$	\$	\$

(1) Totals may not foot due to rounding. The 2015 Series One Bonds are the thirty-first Series of Bonds issued under the 2005 General Bond Resolution. Preliminary, subject to change.

(2) Reflects redemption of Refunded Bonds on the first call date for each respective series.

SUMMARY OF THE 2005 GENERAL BOND RESOLUTION

The following is a summary of certain provisions of the 2005 General Bond Resolution. For a complete statement of the provisions or contents of the 2005 General Bond Resolution, see Appendix F. Words and terms used in this summary are defined in the above-mentioned document and will have the same meanings herein as contained in that document, except as defined in this Official Statement.

2005 General Bond Resolution Constitutes Contract

The 2005 General Bond Resolution constitutes a contract between the Bond Bank, the Trustee and the owners of the Bonds, and the pledges made in the 2005 General Bond Resolution and the covenants and agreements therein set forth to be performed by the Bond Bank will be for the equal and proportionate benefit, protection and security of the holders of any and all of the Bonds, all of which will be of equal rank without preference, priority or distinction.

Obligation of Bonds

The Bonds are general obligations of the Bond Bank, and the full faith and credit of the Bond Bank are pledged for the payment of the principal or redemption price of, interest on and sinking fund installments for, the Bonds solely from the sources provided in the 2005 General Bond Resolution and any Series Resolution. The State will not be liable for payment on the Bonds, and the Bonds will not be a debt or liability, or constitute a pledge or loan of the faith and credit of the State.

Pledge

The Municipal Bonds and the Municipal Bonds Payments, the investments thereof and the proceeds of such investments, if any, and all funds and accounts established by the 2005 General Bond Resolution to be held by the Trustee are pledged and assigned for the payment of the principal of, redemption price of, interest on, and sinking fund installments for, the Bonds in accordance with the terms and provisions of the 2005 General Bond Resolution, subject only to the provisions of the 2005 General Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the 2005 General Bond Resolution. The Municipal Bonds and the Municipal Bonds Payments and all other money and securities pledged pursuant to the 2005 General Bond Resolution immediately will be subject to the lien of such pledge without any further act, and such lien will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bond Bank, regardless of whether such parties have notice thereof.

Power to Issue Bonds and Make Pledges

The Bond Bank covenants that it is duly authorized by law to issue the Bonds and to pledge the Municipal Bonds Payments, the Municipal Bonds and other money, securities, funds and property purported to be pledged by the 2005 General Bond Resolution which will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the 2005 General Bond Resolution, except for the liens in favor of the Trustee and Paying Agent as provided in the 2005 General Bond Resolution. The Bond Bank will at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Municipal Bonds Payments, the Municipal Bonds and other money, securities, funds and property pledged under the 2005 General Bond Resolution and all the rights of the Bondholders under the 2005 General Bond Resolution against all claims and demands of all persons whomsoever.

General

The Bond Bank will do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Bond Bank under law and the 2005 General Bond Resolution in accordance with the terms thereof.

The Bond Bank pledges and agrees with the Holders of the Bonds that it will not cause the State to limit or alter the rights vested by the Act in the Bond Bank to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Bondholders, until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

Waiver of Laws

The Bond Bank will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in the 2005 General Bond Resolution or in any Series Resolution or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Bond Bank.

Loan Agreement Provisions

No loan will be made by the Bond Bank from proceeds of the sale of Bonds and no Bonds will be issued for the purpose of providing funds with which to make a loan, unless the Loan Agreement under which such loan is to be made will comply with, but not be limited to, the following:

(a) The Governmental Unit which is a party to such Loan Agreement must be a Governmental Unit as defined by the 2005 General Bond Resolution, and the Loan Agreement must be executed in accordance with existing laws.

(b) The Governmental Unit, prior to or simultaneously with the issuance of Bonds, will issue Municipal Bonds which are valid debt obligations of the Governmental Unit as required by the Act.

(c) The Municipal Bonds Payment to be made by the Governmental Unit under such Loan Agreement will be not less than the interest and principal payments the Bond Bank is required to make on the Loan Obligations and will be scheduled by the Bond Bank in such manner and at such times as to provide funds sufficient to pay principal and interest on the Loan Obligations as the same become due.

(d) The Governmental Unit will be obligated to pay Fees and Charges to the Bond Bank at the times and in the amounts which will enable the Bond Bank to comply with the provisions of the 2005 General Bond Resolution.

(e) The Governmental Unit will agree that in the event the Municipal Bonds Payment is not paid by it to the Bond Bank on or before the times specified in the Loan Agreement, any money payable to the Governmental Unit by any department or agency of the State will be withheld from such Governmental Unit and paid over directly to the Trustee acting under the 2005 General Bond Resolution.

(f) The Bond Bank will not sell, and the Governmental Unit will not redeem prior to maturity, any of the Municipal Bonds with respect to which the Loan is made in an amount greater than the Outstanding Bonds issued with respect to such Loan which are then redeemable, and any such sale or redemption of such Municipal Bond will be in an amount not less than the aggregate of (i) the principal amount of the Loan Obligation to be redeemed, (ii) the interest to accrue on the Loan Obligation so to be redeemed to the next redemption date, (iii) the applicable redemption premium, and (iv) the costs and expenses of the Bond Bank in effecting the redemption of the Loan Obligation.

(g) The Governmental Unit must give the Bond Bank at least fifty (50) days' notice of its intent to redeem its Municipal Bonds.

Modification of Loan Agreement Terms

The Bond Bank will not consent to the modification of, or modify, the rates of interest of, or the amount or time of payment of any installment of principal of or interest on, any Municipal Bonds evidencing a Loan, or the amount or time of payment of any Fees and Charges payable with respect to such Loan, or the security for or any terms or provisions of such Loan or the Municipal Bonds evidencing the same, in a manner which adversely affects or diminishes the rights of the Bondholders.

Enforcement of Municipal Bonds

The Bond Bank will diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of all Loan Agreements and the Municipal Bonds, including the prompt collection, and the giving of notice to the Commissioners of the State Departments of Revenue, Commerce, Community and Economic Development, Transportation and Public Facilities, Education and Early Development, and Administration and any other department or agency of the State which is custodian of any money payable to the Governmental Unit of any failure or default of the Governmental Unit in the payment of its Municipal Bonds Payments and will promptly transfer any such money, upon receipt thereof, to the Trustee and the Trustee will deposit any such money in the Principal Account and Interest Account in place of said unpaid Municipal Bonds Payments or in the event deficiencies in said Accounts created by such default will have been made up by the Reserve Fund, into the Reserve Fund to the extent of such deficiencies.

Funds and Accounts

The 2005 General Bond Resolution established a Debt Service Fund, consisting of an Interest Account, a Principal Account and a Redemption Account; a Reserve Fund; a Rebate Fund, which consists of a separate sub-account for each Series of Bonds; and an Operating Fund. The Debt Service Fund, the Rebate Fund and the Reserve Fund are held by the Trustee. The Operating Fund is held by the Bond Bank.

Debt Service Fund. The Trustee will deposit Municipal Bonds Interest Payments and any other money available for the payment of interest in the Interest Account upon receipt thereof. The Trustee will, on or before each interest payment date, pay out of the Interest Account the amounts required for the payment of the interest becoming due on each series of Bonds on such interest payment date.

The Trustee will deposit Municipal Bonds Principal Payments and any other money available for the payment of principal in the Principal Account upon receipt thereof. The Trustee will, on or before each principal payment date or Sinking Fund Installment date, pay out of the Principal Account the amounts required for the payment of the principal or Sinking Fund Installment due on each series of Bonds on such date.

The Trustee establishes in the Redemption Account a separate sub-account for each Series of Bonds. Any money deposited into the Redemption Account from any source other than pursuant to Section 607 or Section 916 of the 2005 General Bond Resolution will be applied to the purchase or redemption of Bonds. Any money deposited into the Redemption Account from the Reserve Fund because of a reduction in the Required Debt Service Reserve will be applied to the purchase or redemption of Reserve Fund Obligations.

Reserve Fund. Monthly, the Trustee will set aside from amounts in the Reserve Fund derived from investment earnings and profits realized by the Reserve Fund due to investments thereof, an amount which, when added to the amounts theretofore set aside for such purpose and not paid into the Interest Account, will on such date be equal to the unpaid interest on the Reserve Fund Obligations accrued and to accrue to the last day of such month.

On or before each principal payment date and Sinking Fund Installment payment date of Reserve Fund Obligations, the Trustee will withdraw from amounts in the Reserve Fund and deposit in the Principal Account an amount which, when added to the amount then on deposit in the Principal Account and derived from sources other than Municipal Bonds Payments, will be equal to the Principal Installment of the Reserve Fund Obligations falling due on such date.

On or before December 31 of each year, after satisfying the deposit requirements set forth above, the Trustee will withdraw from the Reserve Fund any amount remaining therein derived from investment earnings or profits due to investments thereof, and pay over said amount to the Bond Bank for deposit in the Operating Fund, but only to the extent that there remains after such withdrawal an amount in the Reserve Fund at least equal to the Reserve Fund Requirement.

The Bond Bank will pay into the Reserve Fund (a) money made available by the State and paid by the State for the purpose of the Alaska Municipal Bond Bank Reserve Fund created by the Act in the amount provided by a Series Resolution; (b) all money paid to the Bond Bank pursuant to the Act for the purpose of restoring the Reserve Fund to the amount of the Reserve Fund Requirement; (c) such portion of the proceeds of sale of Bonds, if any, as will be provided by any Series Resolution; (d) Credit Enhancement; and (e) any other money which may be made available to the Bond Bank for the purposes of the Reserve Fund from any other source or sources. The Reserve Fund Requirement may be satisfied entirely, or in part, by a letter of credit, a line of credit, a credit facility, a surety bond, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds; provided, however, any credit enhancement satisfying all or any part of the Reserve Fund Requirement after the initial issuance of Bonds or issued in substitution of any prior credit enhancement previously issued will not, by itself, cause a withdrawal or downward revision of the ratings maintained by any Rating Agency with respect to the Bonds.

In the event there will be a deficiency in the Interest Account or in the Principal Account, the Trustee will make up such deficiencies from the Reserve Fund.

Administration of Reserve Fund. Money and securities held in the Reserve Fund will not be withdrawn therefrom at any time in such amount as would reduce the amount in such Fund to an amount less than the Reserve Fund Requirement except for the payment when due of debt service on Reserve Fund Obligations and to cure a deficiency in the Principal Account or the Interest Account.

Rebate Fund. There will be deposited in the Rebate Fund the amount of the Rebate Requirement for each Series of Bonds, and the Trustee will pay over to the United States Government such amounts as determined by the Bond Bank and as set forth in the 2005 General Bond Resolution. All amounts held in the Rebate Fund, including income earned from investment of the Rebate Fund, shall be held by the Trustee free and clear of the lien of the 2005 General Bond Resolution.

Operating Fund. There will be deposited in the Operating Fund all Fees and Charges, to the extent not otherwise encumbered or pledged, and any other money which may be made available to the Bond Bank therefor from any other source or sources. Money at any time held for the credit of the Operating Fund will be used for and applied solely to the following purposes: (a) to pay the Administrative Expenses of the Bond Bank; (b) to pay the fees and expenses of the Trustee and any Paying Agent; (c) to pay financing costs incurred with respect to a Series of Bonds; and (d) to pay any expenses incurred in carrying out any other purpose then authorized by the Act.

All amounts in the Operating Fund are free and clear of any lien or pledge created by the 2005 General Bond Resolution.

Security for Deposits

All money held by the Trustee will be continuously and fully secured, for the benefit of the Bond Bank and the Bondholders in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. It will not be necessary for the Trustee or any paying agent to give security for the deposit of any money with them held in trust for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any money which will be represented by obligations purchased under the provisions of the 2005 General Bond Resolution as an investment of such money.

Payment of Bonds

The Bond Bank will duly and punctually pay or cause to be paid the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds according to the true intent and meaning thereof, and will duly and punctually satisfy all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

Fees and Charges

The Bond Bank may charge such Fees and Charges to each Governmental Unit to which a Loan is made, and will revise such Fees and Charges if necessary, so that such Fees and Charges actually collected from each such Governmental Unit will at all times produce money which, together with such Governmental Unit's Allocable Proportion of other money available under the provisions of the 2005 General Bond Resolution, and other money available therefor, will be at least sufficient to pay, as the same become due, the Governmental Unit's Allocable Proportion of the Administrative Expenses of the Bond Bank and of the fees and expenses of the Trustee and any Paying Agent.

Issuance of Additional Obligations

The Bond Bank may issue additional Bonds and refunding Bonds pursuant to the terms of the 2005 General Bond Resolution; however, no additional series of Bonds will be issued unless:

- (a) the aggregate principal amount of Bonds and Notes Outstanding at the time of issuance and delivery of such additional Bonds including the principal amount of such additional Bonds, will not exceed any limit thereon imposed by State law;
- (b) there is at the time of the issuance of such additional Bonds no deficiency in the amounts required by the 2005 General Bond Resolution or any Series Resolution to be paid into the Debt Service Fund and into the Reserve Fund;
- (c) the amount of the Reserve Fund, upon the issuance and delivery of such additional Bonds, will not be less than the Required Debt Service Reserve; and
- (d) the maturities of, or Sinking Fund Installments for, the additional Bonds representing Loan Obligations, unless such additional Bonds are being issued to refund Outstanding Bonds, will be equal to the scheduled Municipal Bonds Principal Payments to be made in respect of the Loans with respect to which such additional Bonds are to be issued.

The Bond Bank expressly reserves the right to adopt other general bond resolutions and reserves the right to issue notes and any other obligations so long as the same are not a charge or lien on the Municipal Bonds, the Municipal Bonds Payments and the Fees and Charges or payable from the Debt Service Fund or the Reserve Fund.

Defeasance

If the Bond Bank will pay or cause to be paid to the holders of all Bonds then Outstanding, the principal and interest and/or Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the 2005 General Bond Resolution and also will pay or cause to be paid all other sums payable under the 2005 General Bond Resolution, including any amounts payable to the United States, then, at the option of the Bond Bank, as expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Bond Bank to the Bondholders will be discharged and satisfied. All Outstanding Bonds of any Series will, prior to the maturity or redemption date thereof, be deemed to have been paid if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Bond Bank will have given to the Trustee in form satisfactory to it irrevocable instructions to publish notice of redemption on said date of such Bonds, and (b) there will have been deposited with the Trustee either monies in an amount which will be sufficient or Investment Securities which are not subject to redemption prior to the dates on which amounts will be needed to make payments on the Bonds and described in clause (1) of the definition thereof, the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee or Paying Agent at the same time, will be sufficient, to pay, when due, the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as may be the case.

Supplements and Amendments

The Bond Bank may adopt a Series Resolution or Supplemental Resolution without the consent of the Bondholders or the Trustee for various purposes not inconsistent with the 2005 General Bond Resolution, to provide for the issuance of additional Series of Bonds, to impose additional limitations or restrictions on the issuance of Bonds, to impose other restrictions on the Bond Bank, to surrender any right, power or privilege, or to confirm any pledge of or lien upon the Municipal Bonds or the Municipal Bonds Payments or any other funds. The Bond Bank may also supplement the 2005 General Bond Resolution to cure any ambiguity or defect in the 2005 General Bond Resolution, provided such modifications are not contrary to or inconsistent with the 2005 General Bond Resolution as theretofore in effect.

Any modification or amendment of the 2005 General Bond Resolution and of the rights and obligations of the Bond Bank and of the Bondholders may be made with the written consent (a) of the holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that such modification or amendment will not permit (i) a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or Sinking Fund Installment therefor, (ii) a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, (iii) a reduction of the percentage of the Holders of which is required to effect any such modification or amendment, or (iv) the creation of any lien prior to or on a parity with the lien created by the 2005 General Bond Resolution (except in the manner provided by the 2005 General Bond Resolution) or deprive the Bondholders of the lien created by the 2005 General Bond Resolution, without the consent of the holders of all the Bonds Outstanding or of the Series of Bonds affected by such modification or amendment. To the extent that the full payment of the interest and principal of Bonds of a Series is secured by Credit Enhancement, the Credit Enhancement Agency will be considered to be the Bondholder of all the Bonds of the Series for purposes of exercising any rights with respect to supplements and amendments to the 2005 General Bond Resolution if the Credit Enhancement so provides.

Events of Default and Remedies

Each of the following events is an Event of Default under the 2005 General Bond Resolution:

(a) the Bond Bank defaults in the payment of the principal or Redemption Price of, Sinking Fund Installment for, or interest on, any Bond when and as the same will become due whether at maturity or upon call for redemption, or otherwise;

(b) the Bond Bank fails or refuses to comply with the provisions of the Act regarding the certification of deficiencies in the 2005 General Bond Resolution Reserve Fund, or such amounts as will be certified to the Governor and to the Legislature pursuant to the Act will not be appropriated and paid to the Bond Bank prior to the termination of the then current State fiscal year; or

(c) the Bond Bank fails or refuses to comply with the provisions of the Act, other than as provided in (b) above, or defaults in the performance or observance of any other of the covenants, agreements or conditions on its part in the 2005 General Bond Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained, and such failure, refusal or default will continue for a period of 45 days after written notice thereof by the Trustee or the Holders of not less than 25 percent in principal amount of the Outstanding Bonds;

provided, however, that an event of default will not be deemed to exist under the provisions of clause (c) above upon the failure of the Bond Bank to make and collect Fees and Charges required to be made and collected by the 2005 General Bond Resolution or upon the failure of the Bond Bank to enforce any obligation undertaken by a Governmental Unit pursuant to a Loan Agreement including the making of the stipulated Municipal Bonds Payments so long as the Bond Bank may be otherwise directed by law and so long as the Bond Bank will be provided with money from the State or otherwise, other than withdrawals from or reimbursements of the Reserve Fund, sufficient in amount to pay the principal of and interest on all Bonds as the same will become due during the period for which the Bond Bank will be directed by law to abstain from making and collecting such Fees and Charges and from enforcing the obligations of a Governmental Unit under the applicable Loan Agreement.

Upon the happening and continuance of any event of default specified in paragraph (a) above, the Trustee will proceed, or upon the happening and continuance of any event of default specified in paragraphs (b) and (c) above, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent in principal amount of the Outstanding Bonds will proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, will deem most effectual to protect and enforce such rights:

(a) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Bond Bank to make and collect Fees and Charges and Municipal Bonds Payments adequate to carry out the covenants and agreements as to, and pledge of, such Fees and Charges and Municipal Bonds Payments, and other properties and to require the Bond Bank to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) by bringing suit upon the Bonds;

(c) by action or suit in equity, require the Bond Bank to account as if it were the trustee of an express trust for the holders of the Bonds;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds.

Upon the occurrence of an event of default in the payment of principal of and interest on Bonds then Outstanding, the Trustee may, and upon the written request of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding will, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will be immediately due and payable. This provision, however, is subject to the condition that if before any judgment or decree for the payment of the money due will have been obtained or entered, the Bond Bank will deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest upon all the Bonds, with interest on such overdue installments of principal at the rate borne by the respective Bonds, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee will have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate will have been made therefor, then the holders of at least a majority in aggregate principal amount of the Bonds then outstanding, may, on behalf of the holders of all of the Bonds, rescind and annul such declaration and its consequences and waive such default.

Bondholders' Direction of Proceedings. The holders of a majority in principal amount of the Bonds then Outstanding will have the right to direct the method of conducting all remedial proceedings to be taken by the Trustee, provided that such direction will not be otherwise than in accordance with law or the 2005 General Bond Resolution, and that the Trustee will have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Rights of Bondholders. No holder of any Bond will have any right to institute any suit, action, mandamus or other proceeding in equity or at law under the 2005 General Bond Resolution, or for the protection or enforcement of any right under the 2005 General Bond Resolution or any right under law unless such holder will have given to the Trustee written notice of the event of default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than 25 percent in principal amount of the Bonds then Outstanding will have made written request of the Trustee and will have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under law or to institute such action, suit or proceeding in its name and unless, also, there will have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred thereby, and the Trustee will have refused or neglected to comply with such request within a reasonable time. No holder of the Bonds will have any right to affect, disturb or prejudice the security of the 2005 General Bond Resolution, or to enforce any right with respect to the Bonds or the 2005 General Bond Resolution, except in the manner provided in the 2005 General Bond Resolution, and all proceedings at law or in equity will be instituted, held and maintained in the manner herein provided and for the benefit of all Bondholders.

Excess Earnings

The Bond Bank covenants and agrees to calculate Rebatable Arbitrage and to pay Rebatable Arbitrage to the United States of America in the manner necessary to comply with the then applicable federal tax law. Within 30 days after the end of every fifth Bond Year, and within 60 days of the date when all of each Series of Bonds have been retired (or at such other time or times as may then be required by the Code and the applicable Income Tax Regulations), the Bond Bank will determine the Rebatable Arbitrage with respect to each Series of Bonds, and pay rebate amounts due the United States of America with respect thereto, as provided in Section 148(f) of the Code.

Modifications to the 2005 General Bond Resolution

The 2005 General Bond Resolution authorizes modifications of any provision set forth in the 2005 General Bond Resolution by the terms of a Supplemental Resolution, with such modifications becoming effective after all Bonds of each Series Outstanding as of the date of such Supplemental Resolution authorizing such modification cease to be Outstanding. A first supplemental resolution (the "First Supplemental Resolution") was approved by the Board of Directors of the Bond Bank at a meeting held on February 19, 2013.

The First Supplemental Resolution authorizes the following modifications to the 2005 General Bond Resolution: (i) to authorize the Trustee to release to the Bond Bank amounts held in the Reserve Fund which exceed the Required Debt Service Reserve whenever there is a reduction in the Required Debt Service Reserve, (ii) to authorize the Trustee to release to the Bond Bank earnings and profits realized from investments in the Reserve Fund on or before June 30 of each year so long as the balance therein equals the Required Debt Service Reserve, (iii) to allow for certain amendments and modifications to the 2005 General Bond Resolution to be effective upon securing the consent of Holders of at least two-thirds in principal amount of Bonds then Outstanding, and (iv) to establish that consent of Holders of Bonds, when required under the terms of the 2005 General Bond Resolution, specifically includes the consent of an underwriter or purchaser of a Series of Bonds at the time such Bonds are issued.

The modifications to the 2005 General Bond Resolution set forth in the First Supplemental Resolution shall become effective after all Bonds issued prior to the 2013 Series One Bonds cease to be Outstanding and compliance by the Bank with certain requirements set forth in the 2005 General Bond Resolution, at which time these modifications will apply to all Bonds, including the 2015 Series One Bonds and govern the rights and obligations of the Holders thereof.

LITIGATION

Upon the delivery of the 2015 Series One Bonds, the Bond Bank will furnish a certificate to the effect that, among other things, there is no litigation pending in any court to restrain or enjoin the issuance or delivery of the 2015 Series One Bonds, or in any way contesting the validity or enforceability of the 2015 Series One Bonds, the 2005 General Bond Resolution or any Bonds or money pledged under the 2005 General Bond Resolution.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the Bond Bank of the 2015 Series One Bonds are subject to the approving legal opinion of Wohlforth, Brecht & Cartledge APC of Anchorage, Alaska, Bond Counsel to the Bond Bank. The proposed form of the opinion of Bond Counsel is included herein as Appendix A.

Certain legal matters will be passed upon for (i) the City of Ketchikan, the Ketchikan Gateway Borough, the City and Borough of Sitka, the City and Borough of Wrangell, and the City and Borough of Juneau by their bond counsel, K&L Gates LLP of Seattle, Washington, (ii) the City of Cordova, the City of Nome, the Northwest Arctic Borough and the City of Unalaska by their bond counsel, Birch, Horton, Bittner & Cherot of Anchorage, Alaska, (iii) the City of Craig by its bond counsel Wohlforth, Brecht & Cartledge APC of Anchorage, Alaska and (iv) the Aleutians East Borough by its co-bond counsel, Foster Pepper PLLC of Seattle, Washington, and the Levesque Law Group, LLC of Anchorage, Alaska.

The firm of Wohlforth, Brecht & Cartledge has secured the written consent of the Bond Bank and the City of Craig regarding the multiple representations of clients in this transaction.

The firm of Foster Pepper PLLC, of Seattle, Washington has secured the consent of the Underwriters and the Aleutians East Borough regarding the multiple representations of clients in this transaction.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

_____, independent certified public accountants, will verify the mathematical accuracy of certain computations provided by the Underwriter regarding (a) the adequacy of the maturing principal amounts of and interest on the Escrow Obligations, together with an initial cash deposit, to pay the redemption price of and interest on the Refunded Bonds and (b) the actuarial yields on the 2015A Series One Bonds and the Escrow Obligations. Such verifications have been relied upon by the Bond Bank's Bond Counsel to support its conclusion that the 2015A Series One Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue

UNDERWRITING

The 2014 Series Three Bonds are to be purchased by RBC Capital Markets, LLC (“RBCCM”) and J.P. Morgan (the “Underwriters”) from the Bond Bank at an aggregate purchase price of \$_____ (equal to the aggregate principal amount of the 2015 Series One Bonds, plus a net original issue premium of \$_____ less an underwriter’s discount of \$_____), subject to the terms of a Bond Purchase Contract between the Bond Bank and RBCCM. The Bond Purchase Contract provides that RBCCM will purchase all of the 2015 Series One Bonds if any are purchased and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Contract, including the approval by counsel of certain matters.

The initial offering prices (or prices corresponding to the yields) set forth on the inside cover of this Official Statement may be changed from time to time by the Underwriters without prior notice to any person after the date of the sale of the 2015 Series One Bonds. The Underwriters may offer and sell the 2015 Series One Bonds to certain dealers, unit investment trusts or money market funds at prices lower than the initial offering prices (or prices corresponding to the yields) set forth on the inside cover of this Official Statement.

MUNICIPAL ADVISOR

Western Financial Group, LLC has acted as financial advisor (the “Municipal Advisor”) to the Bond Bank in connection with the issuance of the 2015 Series One Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Western Financial Group, LLC is an independent advisory firm registered with the Securities and Exchange Commission and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

FINANCIAL STATEMENTS

The financial statements of the Bond Bank included as Appendix E to this Official Statement have been audited by BDO USA, LLP, independent certified public accounts, to the extent and for the periods indicated in their report thereon. Such financial statements have been included in reliance upon the report of BDO USA, LLP.

The Bond Bank has not requested BDO USA, LLP to provide written consent for inclusion of the financial statements in this Official Statement.

TAX MATTERS

In the opinion of Bond Counsel, based on an analysis of existing laws, regulations, rulings and court decisions and assuming, among other things, compliance with certain covenants, interest on the 2015 Series One Bonds is excludable from gross income for federal income tax purposes. Interest on the 2015 Series One Bonds is not an item of tax preference for purposes of determining alternative minimum taxable income for individuals or corporations under the Code. However, interest on the 2015 Series One Bonds is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

Bond Counsel is also of the opinion, based on existing laws of the State as enacted and construed that interest on the 2015 Series One Bonds is excludable from taxation by the State except for transfer, estate and inheritance taxes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2015 Series One Bonds. The Bond

Bank and Governmental Units have covenanted to comply with certain restrictions designed to assure that interest on the 2015 Series One Bonds is excludable from federal gross income. Failure to comply with these covenants may result in interest on the 2015 Series One Bonds being included in federal gross income, possibly from the date of issuance of the 2015 Series One Bonds. Bond Counsel's opinion is subject to the condition that the Bond Bank and the Governmental Units comply with these covenants and, in addition, will rely on representations by the Bond Bank and the Governmental Units and their advisors with respect to matters solely within the knowledge of the Bond Bank, the Governmental Units and their advisors, respectively.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2015 Series One Bonds may adversely affect the tax status of interest on the 2015 Series One Bonds.

Although Bond Counsel has rendered an opinion that interest on the 2015 Series One Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, such 2015 Series One Bonds may otherwise affect a 2015 Series One Bond Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the 2015 Series One Bond Owner's particular tax status and the 2015 Series One Bond Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2015 Series One Bonds. Owners of the 2015 Series One Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2015 Series One Bonds, which may include original issue discount, original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

Backup Withholding. Interest on tax-exempt obligations such as the 2015 Series One Bonds is in many cases subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made after March 31, 2007 to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. This reporting requirement does not in and of itself affect or alter the excludability of interest on the 2015 Series One Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Original Issue Discount. The 2015 Series One Bonds maturing October 1, 20__, (the "Discount Bonds") are being sold at an original issue discount. The difference between the initial public offering prices, as set forth on the cover page, of such Discount Bonds and their stated amounts to be paid at maturity, constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the 2015 Series One Bonds.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between

semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Original Issue Premium. The 2015 Series One Bonds maturing October 1, 20__ through and including October 1, 20__ (collectively, the “Premium Bonds”) are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to the call premium). As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Changes in Federal Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2015 Series One Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2015 Series One Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2015 Series One Bonds or the market value thereof would be impacted thereby. Purchasers of the 2015 Series One Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2015 Series One Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Bond Counsel’s opinion is not a guarantee of a result and is not binding on the Internal Revenue Service (“IRS”); rather, the opinion represents its legal judgment based upon its review of existing statutes, regulations, published rulings, and court decisions and the representations and covenants of the Bond Bank. The IRS has an ongoing program of auditing the tax-exempt status of the interest on governmental obligations. If an audit of the 2015 Series One Bonds is commenced, under current procedures, the IRS is likely to treat the Bond Bank as the “taxpayer,” and the owners of the 2015 Series One Bonds (the “Owners”) would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the 2015 Series One Bonds, the Bond Bank may have different or conflicting interests from the Owners. Public awareness of any future audit of the 2015 Series One Bonds could adversely affect the value and liquidity of the 2015 Series One Bonds during the pendency of the audit, regardless of its ultimate outcome.

RATINGS

Fitch Ratings (“Fitch”) and Standard & Poor’s Rating Services (“S&P”) have assigned “__” and “__” ratings, respectively, to the 2015 Series One Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the

same, at the following addresses: Fitch, One State Street Plaza, New York, New York 10004, (212) 908-0500; S&P, 55 Water Street, New York, New York 10041 (212) 438-1000. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. **There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2015 Series One Bonds.**

CONTINUING DISCLOSURE UNDERTAKING

Basic Undertaking to Provide Annual Financial Information and Notice of Material Events.

Continuing disclosure is provided for the benefit of Beneficial Owners. Pursuant to the Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"), the Bond Bank will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") annual financial information and operating data as described below. In addition, if any Governmental Unit has outstanding with the Bond Bank an amount of municipal bonds equal to or greater than 20 percent of all Bonds outstanding, such Governmental Unit will be contractually required to provide the MSRB audited financial statements prepared in accordance with generally accepted accounting principles applicable to governmental entities, as such principles may be changed from time to time.

Not later than 120 days after the end of each Bond Bank fiscal year, the Bond Bank will notify each Governmental Unit that has (as of the last day of the Bond Bank's prior fiscal year), an amount of municipal bonds equal to or greater than 20 percent of all Bonds Outstanding, of its continuing disclosure undertaking responsibility. A list of such Governmental Units will be included in the Bond Bank's annual financial information filing.

The Bond Bank will also undertake to provide or cause to be provided to the MSRB a notice of the occurrence of any of the following events specified by the Rule with respect to the 2015 Series One Bonds within ten business days of the occurrence of the event: (a) principal and interest payment delinquencies; (b) unscheduled draws on debt service reserves reflecting financial difficulties; (c) unscheduled draws on credit enhancements reflecting financial difficulties; (d) substitution of credit or liquidity providers, or their failure to perform; (e) adverse tax opinions or events affecting the tax-exempt status of the 2015 Series One Bonds; (f) defeasances; (g) rating changes; (h) tender offers; (i) bankruptcy, insolvency, receivership or similar proceeding by the Bond Bank or "obligated person." The Bond Bank will also file with the MSRB a notice of any of the following events with respect to the 2015 Series One Bonds within ten business days of the occurrence of such event, if material: (a) non-payment related defaults; (b) modification to rights of holders of 2015 Series One Bonds; (c) bond calls, other than mandatory, scheduled redemptions not otherwise contingent on the occurrence of an event; (d) release, substitution or sale of property securing repayment of the 2015 Series One Bonds; (e) other than in the normal course of business, the consummation of a merger, consolidation or acquisition involving an "obligated person," or the sale of all or substantially all of the assets of the Bond Bank or "obligated person," or the entry into a definitive agreement to undertake such an action, or a termination of a definitive agreement relating to any such actions, other than in accordance with its terms; (f) appointment of a successor or additional trustee or the change in name of the Trustee for the 2015 Series One Bonds.

The Bond Bank also will provide to the MSRB timely notice of its failure to provide required annual financial information on or before the date specified below.

Type of Annual Financial Information Undertaken to be Provided by the Bond Bank. The annual financial information that the Bond Bank undertakes to provide will consist of (a) annual financial statements for the Bond Bank, prepared in accordance with generally accepted accounting principles applicable to governmental entities, as such principles may be changed from time to time; (b) a statement of authorized, issued and outstanding

bonded debt; (c) Reserve Fund balance; and (d) Governmental Unit statistics in substantially the same form as Appendix C attached hereto. This information will be provided to the MSRB not later than 210 days after the end of each fiscal year of the Bond Bank (currently, the 12-month period ending June 30), as such fiscal year may be changed as required by State law, commencing with the Bond Bank's fiscal year ending June 30, 2015.

Amendment of Undertaking. The Bond Bank's continuing disclosure undertaking is subject to amendment after the primary offering of the 2015 Series One Bonds without the consent of any Beneficial Owner of any 2015 Series One Bond, or any broker, dealer, municipal securities dealer, participating underwriter, rating agency, or the MSRB, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Bond Bank; (b) the Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the 2015 Series One Bonds, after taking into account any amendments or interpretations of the Rule by the SEC and any changes in circumstances; (c) the Bond Bank obtains an opinion of nationally recognized bond counsel to the effect that the amendment will not adversely affect the Bond Bank's compliance with the Undertaking and Rule; and (d) the Bond Bank notifies and provides the MSRB with copies of the opinions and amendments. Such amendment may be adopted without the consent of any Beneficial Owner of any of the 2015 Series One Bonds, notwithstanding any other provision of the continuing disclosure undertakings or the 2005 General Obligation Bond Resolution.

The first annual report containing amended operating data or financial information pursuant to an amendment of the Bond Bank continuing disclosure undertaking will explain, in narrative form, the reasons for the amendment and its effect on the type of operating data and financial information being provided.

All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

Termination. The obligations of the Bond Bank under its undertaking will terminate upon the legal defeasance, prior redemption or payment in full of all of the 2015 Series One Bonds.

Remedy for Failure to Comply with Undertaking. No failure by the Bond Bank and/or Governmental Units to comply with any provisions of their respective undertakings will constitute a default in respect of the 2015 Series One Bonds, and the sole remedy under the respective undertakings in the event of any failure of the Bond Bank or any Governmental Unit to comply with its undertaking will be the right to obtain specific performance of the undertaking.

Prior Compliance with Continuing Disclosure Undertakings Under the Rule

Bond Bank Bonds Issued Under the 2005 General Obligation Bond Resolution. The Bond Bank previously entered into continuing disclosure undertakings under the Rule in connection with its outstanding Bonds. The Bond Bank subsequently discovered it had not filed certain event notices in connection with rating downgrades of insurers and underlying ratings upgrades. Event notices were subsequently filed.

In addition, the Bond Bank discovered it had not included in its annual report statistics of Governmental Units similar to those found in Appendix C of its official statements, as required by prior continuing disclosure undertakings. Such information was included in publicly available official statements prepared by the Bond Bank every year of noncompliance for Bonds issued under the 2005 General Bond Resolution. Such information was, however, dated on or about the date of the official statement rather than as of the end of the Bond Bank's fiscal year end. The Bond Bank is in the process of curing this technical deficiency and expects that such information will be filed prior to the issuance of the 2015 Series One Bonds.

Other Bonds Issued by the Bond Bank. The Bond Bank previously entered into continuing disclosure

undertakings for bonds issued under its 1976 General Bond Resolution and 2010 Resolution. The Bond Bank has since discovered that certain annual financial information relating to governmental units participating in the 1976 General Bond Resolution pool and the 2010 Resolution pool has not been filed. The Bond Bank is in the process of curing these technical deficiencies and expects that all such information will be filed prior to the issuance of the 2015 Series One Bonds.

General. The Bond Bank has developed procedures to ensure its continuing disclosure obligations are complied with in all material respects. Although there have been instances of technical deficiencies with its previous undertakings, the Bond Bank reasonably believes it has complied in the past five years in all material respects with its previous undertakings with regard to the Rule.

Governmental Units. In 2014 it was discovered that certain of the Governmental Units who timely filed annual financial information in accordance with its prior undertakings inadvertently failed to associate that annual financial information with all Bonds issued under the 2005 General Bond Resolution. Effective March 20, 2014, each undertaking executed by Governmental Units includes an express requirement that such filing be linked to outstanding Bonds issued under the 2005 General Bond Resolution.

The Governmental Units which currently have a 10 percent or greater participation in the pool of Loans under the 2005 General Obligation Bond Resolution reported they have otherwise complied in all material respects with its previous undertakings with regard to the Rule

SOURCES OF CERTAIN INFORMATION

As of the date of this Official Statement, the Governmental Units which have loan obligations in an amount of ten percent (10%) or greater in the pool of loans financed with proceeds of Bonds are the City and Borough of Sitka (16.98%), the Kenai Peninsula Borough (13.48%), the City and Borough of Juneau (13.13%) and the City of Ketchikan (11.95%). These Governmental Units are considered "Obligated Persons" under the Rule and have provided the information appearing in Appendix D of this Official Statement.

The Bond Bank makes no representation as to the accuracy of the information concerning the City and Borough of Juneau, the Kenai Peninsula Borough, the City of Ketchikan or the City and Borough of Sitka found in Appendix D of this Official Statement.

DEFINITIONS

The following terms are used in this Official Statement with the following meanings:

"Act" — The Alaska Municipal Bond Bank Act, codified as Chapter 85, Title 44, of the Alaska Statutes, as amended.

"Bond Bank" — The Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska within the Department of Revenue but with legal existence independent of and separate from the State.

"Bonds" — Bonds issued by the Bond Bank under the 2005 General Bond Resolution pursuant to a Series Resolution. These include "Loan Obligations" and "Reserve Fund Obligations" as defined below.

"Code" — Internal Revenue Code of 1986 and the regulations thereunder, as amended.

"Credit Enhancement" — A letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds to further secure the payment of the Bonds of such Series or to satisfy the Reserve Fund Requirement.

"Credit Enhancement Agency" — Any bank or other institution that provides Credit Enhancement.

"Debt Service Fund" — A fund established by the 2005 General Bond Resolution to be maintained and held by the Trustee. The 2005 General Bond Resolution defines and provides that the "Interest Account," "Principal Account" and "Redemption Account" are maintained within the Debt Service Fund.

"Fees and Charges" — All fees and charges authorized to be charged by the Bond Bank pursuant to Sections 44.85.080 (8), (15), and (16) of the Act and charged by the Bank pursuant to the terms and provisions of the Loan Agreements.

"Governmental Unit" — A municipality or such other entity from which the Bond Bank is authorized by law to purchase its revenue bonds, general obligation bonds, notes, or other forms of indebtedness and which otherwise satisfies conditions found in the 2005 General Bond Resolution and in the Loan Agreement.

"Loan Agreement" — An agreement, and any amendments thereto, entered into between the Bond Bank and a Governmental Unit setting forth the terms and conditions of a loan.

"Loan Obligations" — The amount of Bonds and the Bonds themselves issued by the Bond Bank for the purchase of Municipal Bonds of a Governmental Unit.

"Municipal Bonds" — General obligation bonds, revenue bonds, notes or other evidence of debt issued by any Governmental Unit, as defined in the Act, which have been acquired by the Bond Bank as evidence of a loan to the Governmental Unit pursuant to the Act.

"Municipal Bonds Payment" — The amounts paid or required to be paid, from time to time, for principal and interest by a Governmental Unit to the Bond Bank on the Governmental Unit's Municipal Bonds.

"Notes" — Any obligations referred to in the 2005 General Bond Resolution issued by the Bond Bank other than Bonds.

"Operating Fund" — A fund established by the 2005 General Bond Resolution. This fund is not held by the Trustee and money therein is not pledged as security for Bonds.

"Outstanding" — When used with reference to Bonds, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of the 2005 General Bond Resolution, other than Bonds owned or held by or for the account of the Bond Bank except: (i) any Bonds cancelled by the Trustee at or prior to such date, (ii) any Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been delivered pursuant to the 2005 General Bond Resolution, and (iii) Bonds deemed to have been paid as provided in the 2005 General Bond Resolution.

"Reserve Fund" — The reserve account established by the 2005 General Bond Resolution and held by the Trustee pursuant to the provisions of the 2005 General Bond Resolution.

"Reserve Fund Obligations" — Bonds issued by the Bond Bank to obtain funds to deposited in the Reserve Fund.

"Reserve Fund Requirement" — The amount required to be on deposit in the 2005 General Bond Resolution Reserve Fund is the least of the following: (i) 10% of the initial stated principal amount of each Series of Bonds then Outstanding; (ii) maximum annual principal and interest requirements on all Bonds then Outstanding; (iii) 125% of average annual principal and interest requirements on all Bonds then Outstanding; or (iv) such lesser amount as shall be required by law. The Reserve Fund Requirement may be satisfied entirely, or in part, by Credit

Enhancement; provided, however, any Credit Enhancement satisfying all or any part of the Reserve Fund Requirement after the initial issuance of Bonds or issued in substitution for any prior Credit Enhancement previously issued will not, by itself, cause a withdrawal or downward revision of the ratings maintained by any Rating Agency with respect to the Bonds.

"Required Debt Service Reserve" — As of any date of calculation, the amount required to be on deposit in the Reserve Fund which amount shall at least be equal to the Reserve Fund Requirement.

"Series Resolution" — A resolution of the Bond Bank authorizing the issuance of a series of Bonds in accordance with the terms of the 2005 General Bond Resolution.

"2005 General Bond Resolution" — The Bond Bank's 2005 General Obligation Bond Resolution adopted July 13, 2005, as amended August 19, 2009. (The Bond Bank may adopt additional general obligation resolutions for the same or different purposes.)

MISCELLANEOUS

The summaries or descriptions of provisions in the Bond Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such documents or provisions, and reference is hereby made to the complete documents and materials, copies of which will be furnished by the Bond Bank on request. The 2005 General Bond Resolution has been included herein as Appendix F.

Any statements made in this Official Statement indicated to involve matters of opinion or estimates are represented as opinions or estimates in good faith. No assurance can be given, however, that the facts will materialize as so opined or estimated.

PRELIMINARY OFFICIAL STATEMENT

The Bond Bank hereby deems this Preliminary Official Statement pursuant to the SEC Rule 15c2-12 as final as of its date except for the omission of the information dependent upon the pricing of the issue, such as offering prices, interest rates, delivery date and other terms of the 2015 Series One Bonds dependent on the foregoing matters.

OFFICIAL STATEMENT

The Bond Bank has authorized the execution and distribution of this Official Statement.

ALASKA MUNICIPAL BOND BANK

/s/

Deven J. Mitchell
Executive Director

APPENDIX A
Form of Legal Opinion

APPENDIX B

State Payments to Governmental Units

Appendix B

State Payments to Governmental Units

The State of Alaska (the “State”) disburses to Alaskan cities and boroughs (the “Governmental Units”) funds that generally are available for uses other than paying municipal bond debt service. In the event of default by a Governmental Unit with respect to a Loan Agreement, the Bond Bank is authorized to cause such funds, held in custody by the State prior to disbursement, to be paid over to the Bond Bank. However, the State may at any time reduce or terminate the disbursements or programs under which they are made. Four of the departments of the State that disburse money to Governmental Units are as follows:

(1) Department of Education and Early Development. The Department of Education and Early Development (DEED) disburses State aid for educational purposes primarily through the school debt reimbursement, the foundation funding, and pupil transportation programs, in addition to funding for boarding homes, residential boarding, youth in detention, special schools, and the Alaska Challenge Youth Academy programs. The first program provides a system under which the State, subject to annual appropriation by the State Legislature, will reimburse municipalities that operate school districts for certain costs of school construction. State reimbursement applies to debt service on locally issued general obligation school bonds. Timing of reimbursements is determined by municipalities’ debt service payments, and is made throughout the year. This program provides that subject to statutory and regulatory conditions that the State will reimburse municipalities for a pre-determined percentage of debt service incurred for such bonds, depending on when such bonds were issued and the project components. The State has in the past, and may in the future, appropriate less than the full amount to which the municipalities are entitled. When appropriations are less than 100 percent of the entitlement, funds have been allocated pro rata among the eligible school districts.

Under the second program, the State aids local school districts in the payment of operating expenses under the State “K-12 foundation” funding which provides education-related aid for operating costs associated with qualified K-12 schools as well as programs such as the handicapped facilities and nutrition programs. The program provides for monthly distributions to the school districts.

Under the third program, the state aids local school districts for pupil transportation. The program provides for monthly distributions to the school districts.

Under the fourth program, the state has provided one-time grant funds.

(2) Department of Revenue. The Department of Revenue disburses shares of various State taxes collected by the within the jurisdiction of certain Governmental Units including aviation fuel, Commercial Passenger Vessel, electric, telephone, liquor and fisheries resources landed and business taxes. Payments are distributed both semi-annually in January and July and annually in October depending upon the type of tax.

(3) Department of Commerce, Community and Economic Development. The Department of Commerce, Community and Economic Development (DCCED) administers a payment in lieu of taxes program under which the federal government pays a fee for use of land. The payments received from the federal government are passed through the State to certain Governmental Units. Distributions occur annually in July. The State also disburses money to certain Governmental Units through the DCCED’s Capital Matching Grants program to provide assistance in financing capital projects. Distributions are made throughout the year as approved projects are constructed. Additionally the State Revenue Sharing program provides an annual transfer to certain governmental units based on population. The revenue sharing transfers occur in the first quarter of the fiscal year.

(4) Department of Corrections. The Department of Corrections transfers monthly amounts to pay operational expenses of local communities that house prisoners in municipal-owned facilities.

Sources: State of Alaska, Department of Administration, Division of Finance; State of Alaska, Office of Management and Budget; and State of Alaska, Department of Revenue, Tax Division. Further information regarding the State of Alaska may be found at <http://alaska.gov> (this reference is not a hyperlink, and, by this reference, the State of Alaska's website is not incorporated into this Official Statement).

Alaska Municipal Bond Bank Capability to Intercept Funds

	FY 2013 Shared Taxes & Fees one time transfers for 7 categories of tax and license type (updated in December annually)	FY 2015 DOT Reimbursement Program transferred as debt service comes due semi-annually (current year annual appropriation)	FY 2015 Projected School Debt Reimbursement transferred as debt service comes due semi-annually (current year annual appropriation)	FY 2015 Projected Education Support transferred in 12 level monthly installments during fiscal year (current year annual appropriation)	Matching Grants as of August 1, 2014 will be drawn down as projects are completed (current and past year capital grant appropriations) (1)	FY 2015 Community Jails - Transferred in 12 level monthly payments during fiscal year (current year annual appropriation)	FY 2014 PILT transfers	Revenue Sharing FY 2015 disbursed at one time by October of fiscal year (current year annual appropriation)	Total Intercept Capability	Fiscal Year 2015 Total Debt Service (2)	Coverage Ratio
Boroughs											
Aleutians East Borough	\$2,082,874	\$468,794	\$712,598	\$510,514	\$7,167,369	0	\$0	\$386,351	\$11,328,500	\$2,606,701	4.35
Municipality of Anchorage (3)	0	0	51,372,307	364,486,109	492,211,183	0	0	14,642,219	\$922,711,818	\$77,199	11,952.42
Haines Borough (3)	486,904	0	908,729	2,906,456	37,144,574	383,440	0	598,985	\$42,429,088	1,557,372	27.24
City & Borough of Juneau (3)	4,662,940	0	14,120,698	43,189,712	27,646,880	0	0	2,034,988	\$91,655,218	14,668,651	6.25
Kenai Peninsula Borough (3)	1,473,978	0	3,084,544	88,600,671	20,973,000	0	0	2,124,472	\$116,256,665	14,135,880	8.22
Ketchikan Gateway Borough	2,639,506	0	2,804,199	25,976,159	15,233,181	0	0	625,356	\$47,278,401	5,930,298	7.97
Kodiak Island Borough	1,222,846	932,676	4,190,420	28,835,618	8,537,000	0	0	699,804	\$44,418,364	7,858,622	5.65
Lake & Peninsula Borough	\$386,805	\$0	1,901,415	9,018,966	312,191	0	0	427,173	\$12,046,550	2,421,820	4.97
Northwest Arctic Borough (3)	6,695	0	4,228,145	37,807,275	13,376,093	944,172	0	427,738	\$56,790,118	6,314,385	8.99
Petersburg Borough (3)	1,056,400	0	492,518	6,151,396	13,761,675	308,020	512,947	534,072	\$22,817,028	1,569,523	14.54
City & Borough of Sitka (3)	1,641,483	0	2,519,241	15,254,347	40,710,278	694,660	0	905,101	\$61,725,110	11,768,293	5.25
Municipality of Skagway	3,485,620	0	0	789,803	12,891,013	0	0	430,183	\$17,596,619	493,810	35.63
City & Borough of Wrangell	409,023	0	205,940	3,592,431	7,650,935	578,010	0	595,505	\$13,031,844	364,675	35.74
Cities											
Adak (3)	\$256,322	\$0	\$0	\$0	\$0	\$0	\$0	\$109,309	\$365,631	106,798	3.42
Bethel*	\$3,937	\$0	\$0	\$0	\$31,894,450	\$0	\$804,164	\$391,252	\$33,093,803	\$295,225	112.10
Cordova	1,517,031	350,120	966,117	3,795,643	11,792,912	240,080	393,230	204,262	19,259,395	1,677,311	11.48
Dillingham	419,943	0	823,059	7,471,673	2,416,160	641,300	422,987	208,636	12,403,758	1,176,090	10.55
Hoonah	756,778	0	68,819	2,315,721	17,781,885	0	137,204	133,530	21,193,937	110,075	192.54
Homer*	197,140	0	0	0	7,943,000	753,410	0	337,544	9,231,094	287,350	32.12
Ketchikan*	2,465,255	0	0	0	31,224,726	0	0	486,957	34,176,938	9,263,665	3.69
Kenai*	363,172	0	0	0	13,669,600	0	14,252	436,824	14,483,848	176,198	82.20
King Cove*	524,085	0	0	0	1,061,040	0	0	139,926	1,725,051	263,927	6.54
Kodiak*	1,371,504	0	0	0	31,629,022	1,208,290	0	394,074	34,602,890	971,604	35.61
Nome (3)	54,785	0	222,509	9,776,384	24,635,000	0	438,945	268,081	35,395,704	714,120	49.57
North Pole*	61,605	0	0	0	2,906,821	0	0	199,888	3,168,314	104,800	30.23
Palmer*	151,713	0	0	0	13,640,852	0	0	382,175	14,174,740	266,450	53.20
Sand Point*	365,756	0	0	0	2,681,252	0	0	143,876	3,190,884	180,580	17.67
Saxman* (3)	0	0	0	0	256,925	0	0	115,329	372,254	3,272	113.78
Seward*	869,806	0	0	0	35,613,179	655,470	0	212,963	37,351,418	3,507,759	10.65
Soldotna*	46,057	0	0	0	10,743,145	0	0	297,475	11,086,677	216,905	51.11
Unalaska	8,542,195	367,445	688,179	5,081,413	2,043,498	762,050	763,584	318,779	18,567,143	3,764,804	4.93
Valdez	485,678	213,188	1,685,751	5,116,179	11,016,057	630,250	703,602	288,868	20,139,573	355,569	56.64
Wasilla*	252,454	0	0	0	17,877,620	0	0	489,403	18,619,477	422,263	44.09

* Communities that are located in a borough which operates the public schools in the community and receives that related Education Support Funding.

(1) Matching grants are appropriated by the Alaska State Legislature and can vary significantly from year to year.

(2) Includes annual debt service associated with bonds sold under the Bond Bank's 1976 Resolution.

(3) Borrowers to this issue.

APPENDIX C
Government Unit Statistics
Regarding Participation in the Bond Bank

APPENDIX C
GOVERNMENTAL UNIT STATISTICS
REGARDING PARTICIPATION IN THE BOND BANK

2005 GENERAL BOND RESOLUTION
OUTSTANDING LOAN PRINCIPAL TO GOVERNMENTAL UNIT BORROWERS OF THE
ALASKA MUNICIPAL BOND BANK
AS OF MARCH 1, 2015
(Does Not Include 2015 Series One Bonds)

Borrower	Outstanding Par	Percent of Outstanding
City and Borough of Sitka	148,025,000	16.98%
Kenai Peninsula Borough	117,545,000	13.48%
City and Borough of Juneau	114,430,000	13.13%
City of Ketchikan	104,210,000	11.95%
Kodiak Island Borough	86,730,000	9.95%
City of Seward	38,460,000	4.41%
Ketchikan Gateway Borough	38,115,000	4.37%
City of Unalaska	33,010,000	3.79%
Northwest Arctic Borough	30,385,000	3.49%
Aleutians East Borough	26,405,000	3.03%
Lake & Peninsula Borough	17,780,000	2.04%
City of Cordova	13,680,000	1.57%
City of Kodiak	13,390,000	1.54%
Petersburg Borough	11,945,000	1.37%
City of Dillingham	11,905,000	1.37%
Haines Borough	10,580,000	1.21%
Municipality of Skagway	5,215,000	0.60%
City of Nome	4,865,000	0.56%
Municipality of Anchorage	3,735,000	0.43%
City of Homer	3,605,000	0.41%
City of Bethel	2,790,000	0.32%
City of Valdez	2,725,000	0.31%
City of Sand Point	2,500,000	0.29%
City of King Cove	2,285,000	0.26%
City of Soldotna	2,120,000	0.24%
City of Kenai	1,615,000	0.19%
City of Wasilla	1,540,000	0.18%
City of Hoonah	1,135,000	0.13%
City of Palmer	860,000	0.10%
City of Adak	825,000	0.09%
City of North Pole	820,000	0.09%
City and Borough of Wrangell	270,000	0.03%
City of Saxman	165,000	0.02%
Reserve Obligations	18,145,000	2.08%
Total Outstanding Par	\$871,810,000	100.00%

APPENDIX D

Summaries of Borrowers Representing 10% or More of Outstanding Principal of Bonds Issued Under the 2005 General Bond Resolution

Kenai Peninsula Borough - General Fund General Obligation Financial Summary						
Municipal Financial Position	2009	2010	2011	2012	2013	Average
Property Tax Collections						
Borrower's Property Tax Rate per \$1,000	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Municipal Levy	\$26,779,449	\$28,875,124	\$29,058,274	\$30,419,493	\$30,823,497	\$58,500,541.80
Current Year's Collections	\$26,431,968	\$28,375,677	\$28,630,610	\$29,946,804	\$30,382,636	\$57,650,845
Current Collection Rate	98.70%	98.27%	98.53%	98.45%	98.57%	98.55%
Total Year's Collections	\$26,773,902	\$28,863,520	\$29,005,996	\$30,353,606	\$30,382,636	\$58,383,843.40
Total Collection Rate	99.98%	99.96%	99.82%	99.78%	98.57%	99.80%
General Fund						
Total Ending Fund Balance	\$ 25,138,217	\$ 23,025,423	\$ 21,705,814	\$ 21,466,583	\$ 23,310,985	
Unreserved Ending Fund Balance	\$ 24,604,294	\$ 22,864,839	\$ 21,454,058	\$ 21,268,520	\$ 16,296,148	\$40,527,575
Expenditures	\$ 69,119,691	\$ 70,829,556	\$ 72,163,558	\$ 71,347,868	\$ 72,452,478	\$129,385,561
Fund Balance/Expenditures	36%	32%	30%	30%	22%	30%
Total Revenues	\$ 69,797,834	\$ 68,716,762	\$ 70,799,893	\$ 71,108,637	\$ 74,255,493	\$129,722,052
Intergovernmental Revenues	\$ 9,477,866	\$ 8,987,813	\$ 8,538,331	\$ 9,749,464	\$ 10,392,037	\$16,271,826
Percentage Intergovernmental	14%	13%	12%	14%	14%	13%
Overall Municipal Debt Position						
Revenue Debt - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	
Revenue Debt - Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenue Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
General Obligation Debt - Governmental Funds (General Fund only)	\$ 17,904,000	\$ 20,364,000	\$ 33,910,000	\$ 30,230,000	\$ 26,820,000	
General Obligation Debt - Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	
Total General Obligation Debt	\$ 17,904,000	\$ 20,364,000	\$ 33,910,000	\$ 30,230,000	\$ 26,820,000	
Total Revenue and General Obligation Debt	\$ 17,904,000	\$ 20,364,000	\$ 33,910,000	\$ 30,230,000	\$ 26,820,000	
Governmental GO Debt/ Assessed Value (mry)	0.30%	0.32%	0.53%	0.46%	0.40%	
Enterprise GO Debt / Assessed Value (mry)	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Revenue and GO Debt/A.V. (mry)	0.30%	0.32%	0.53%	0.46%	0.40%	
General Obligation Debt Per Capita	\$338	\$380	\$612	\$536	\$473	
Total Revenue and GO Debt Per Capita	\$338	\$380	\$612	\$536	\$473	
General Economic and Demographic Data						
	2009	2010	2011	2012	2013	Annual Growth Rate
Population	52,990	53,578	55,400	56,369	56,756	0.69%
Assessed Value	\$ 5,966,757,000	\$ 6,369,098,000	\$ 6,393,531,000	\$ 6,633,241,000	\$ 6,716,010,000	1.25%
Assessed Value Per Capita	\$ 112,602	\$ 118,875	\$ 115,407	\$ 117,675	\$ 118,331	
Top 10 Tax Payers as a % of Total Assessed Value	15.77%	15.23%	14.38%	16.18%	15.80%	

(1) 2013 Unreserved Fund Balance is Net of Note Receivable to the City of Homer in the amount of \$6,944,837 for installation of natural gas to community, secured by assessments on all benefited properties

**Kenai Peninsula Borough
Central Peninsula General Hospital
Financial Summary**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Capital Assets (net of depreciation)	\$72,716,010	\$68,368,337	\$67,842,931	\$64,853,893	\$69,429,959
Cash	25,957,189	23,561,004	21,700,302	27,803,487	35,197,813
Cash held for Plant Replacement	4,898,777	10,528,599	10,097,241	11,421,461	11,322,729
Restricted Assets	1,174,350	1,241,196	3,584,121	633,493	500,000
Other Assets	16,276,564	18,093,771	19,105,718	29,383,574	29,863,006
Total Assets	<u>121,022,890</u>	<u>121,792,907</u>	<u>122,330,313</u>	<u>134,095,908</u>	<u>146,313,507</u>
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	-	-	-	-	-
GO Bonds Payable	39,775,000	37,920,000	35,990,000	32,255,000	30,130,000
Other Liabilities	14,092,326	14,057,585	10,965,610	18,041,771	18,176,258
Total Liabilities	<u>53,867,326</u>	<u>51,977,585</u>	<u>46,955,610</u>	<u>50,296,771</u>	<u>48,306,258</u>
NET ASSETS	<u>67,155,564</u>	<u>69,815,322</u>	<u>75,374,703</u>	<u>83,799,137</u>	<u>98,007,249</u>
Operating Revenues	77,364,375	88,941,888	101,279,075	116,849,605	123,951,269
Operating Expenses	70,786,938	78,326,691	86,771,449	99,255,770	102,247,165
Depreciation	8,029,758	8,381,029	8,056,595	8,004,562	7,959,305
Operating Income (Loss)	<u>(1,452,321)</u>	<u>2,234,168</u>	<u>6,451,031</u>	<u>9,589,273</u>	<u>13,744,799</u>
Non-Operating Revenue (Expense)	<u>2,486,530</u>	<u>249,199</u>	<u>(1,105,595)</u>	<u>(808,253)</u>	<u>(1,420,030)</u>
Net Income (Loss) Before Contribution	1,034,209	2,483,367	5,345,436	8,781,020	12,324,769
Capital Contributions	1,273,652	176,391	212,945	52,843	2,004,970
Change in Net Assets	<u>2,307,861</u>	<u>2,659,758</u>	<u>5,558,381</u>	<u>8,833,863</u>	<u>14,329,739</u>

CITY AND BOROUGH OF SITKA						
GENERAL OBLIGATION FINANCIAL SUMMARY						
Municipal Financial Position	2009	2010	2011	2012	2013	Average
Property Tax Collections						
Borrower's Property Tax Rate per \$1,000	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Municipal Levy	\$5,735,000	\$5,768,331	\$5,799,400	\$5,904,617	\$5,957,735	\$5,833,017
Current Year's Collections	\$5,689,030	\$5,735,962	\$5,753,039	\$5,874,918	\$5,893,452	\$5,789,280
Current Collection Rate	99.20%	99.44%	99.20%	99.50%	98.92%	99.25%
Total Year's Collections	\$5,746,123	\$5,801,822	\$5,807,869	\$5,909,321	\$5,893,452	\$5,831,717
Total Collection Rate	100.19%	100.58%	100.15%	100.08%	98.92%	99.98%
General Fund						
Unreserved Ending Fund Balance	\$ 7,193,254	\$ 8,853,936	\$ 11,508,475	\$ 13,584,873	\$ 14,268,394	\$ 11,081,786
Expenditures	\$ 23,817,458	\$ 23,597,203	\$ 23,260,649	\$ 24,075,729	\$ 23,691,912	\$ 23,688,590
Fund Balance/Expenditures	30%	38%	49%	56%	60%	46.77%
Total Revenues	\$ 25,925,306	\$ 24,882,306	\$ 24,709,916	\$ 26,584,728	\$ 25,953,885	\$ 25,611,228
Intergovernmental Revenues	\$ 2,393,157	\$ 2,219,501	\$ 2,380,298	\$ 2,659,323	\$ 2,693,860	\$ 2,469,228
Percentage Intergovernmental	9%	9%	10%	10%	10%	9.63%
Overall Municipal Debt Position						
Revenue Debt - Enterprise Funds	\$ 50,517,063	\$ 48,467,078	\$ 68,807,401	\$ 68,593,411	\$ 106,145,822	
Revenue Debt - Governmental Funds	\$ 185,250	\$ 175,500	\$ 165,750	\$ 156,000	\$ 146,250	
General Obligation Debt - Governmental Funds	\$ 34,410,000	\$ 32,550,000	\$ 36,300,000	\$ 32,290,000	\$ 31,020,000	
General Obligation Debt - Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	
Total General Obligation Debt	\$ 34,410,000	\$ 32,550,000	\$ 36,300,000	\$ 32,290,000	\$ 31,020,000	
Total Revenue and General Obligation Debt	\$ 85,112,313	\$ 81,192,578	\$ 105,273,151	\$ 101,039,411	\$ 137,312,072	
Governmental GO Debt/Taxable Assessed Value	3.65%	3.42%	3.69%	3.26%	3.10%	
Total Revenue and GO Debt/A.V.	9.04%	8.52%	10.69%	10.20%	13.72%	
General Obligation Debt Per Capita	\$3,989	\$3,665	\$4,138	\$3,607	\$3,415	
Total Revenue and GO Debt Per Capita	\$9,866	\$9,142	\$12,000	\$11,287	\$15,116	
General Economic and Demographic Data						
	2009	2010	2011	2012	2012	Annual Growth Rate
Population	8,627	8,881	8,773	8,952	9,084	1.47%
Taxable Assessed Value	\$ 941,464,880	\$ 953,574,685	\$ 985,073,129	\$ 990,930,238	\$ 1,001,066,784	0.59%
Assessed Value Per Capita	\$ 109,130	\$ 107,372	\$ 112,285	\$ 110,694	\$ 110,201	
Top 10 Tax Payers as a % of Assessed Value	8.36%	8.21%	7.64%	7.57%	7.57%	

City and Borough of Sitka Electric Enterprise Fund Financial Summary					
	2009	2010	2011	2012	2013
	Audited	Audited	Audited	Audited	Audited
Assets					
Cash	8,993,721	8,868,159	24,320,421	31,450,650	28,803,187
Restricted Assets	7,376,785	7,149,277	6,871,164	3,595,875	21,197,459
Other Assets	3,602,067	4,256,023	5,010,167	7,266,275	13,897,615
Construction in Progress	2,883,684	5,555,467	11,646,987	18,086,724	58,930,539
Utility Plant in Service	<u>66,094,407</u>	<u>64,914,833</u>	<u>63,103,150</u>	<u>61,775,003</u>	<u>59,900,343</u>
Total Assets	88,950,664	90,743,759	110,951,889	122,174,527	182,729,143
Liabilities and Net Assets					
Liabilities					
Other Liabilities	419,304	636,920	1,722,772	2,477,182	6,355,564
Revenue Bonds Payable	30,395,000	28,090,000	48,700,000	47,570,000	79,485,000
Deferred loss/premium on bonds	(954,781)	(815,343)	1,471,509	(1,711,547)	5,943,338
Revenue Note Payable	<u>9,299,130</u>	<u>9,054,598</u>	<u>8,800,188</u>	<u>8,535,498</u>	<u>7,973,608</u>
Total Liabilities	39,158,653	36,966,175	60,694,469	56,871,133	99,757,510
Net Assets	49,792,011	53,777,584	50,257,420	65,303,394	82,971,633
Operating Revenues	11,846,117	10,852,914	11,401,523	11,611,319	12,077,554
Operating Expenses					
Administrative and General	1,955,508	1,699,737	1,739,698	2,003,768	1,975,492
Operation and Maintenance	4,465,023	4,366,115	5,257,342	5,914,895	5,152,028
Depreciation	<u>1,998,438</u>	<u>1,994,177</u>	<u>1,987,558</u>	<u>1,971,739</u>	<u>1,986,195</u>
Operating Income	3,427,148	2,792,885	2,416,925	1,720,917	2,963,839
Nonoperating revenue (expense)					
Investment Income	642,422	523,298	490,986	459,107	314,600
Interest Expense	(2,469,192)	(2,369,426)	(1,725,198)	(2,848,639)	(1,678,238)
Other	<u>351,823</u>	<u>208,962</u>	<u>-</u>	<u>625,748</u>	<u>572,946</u>
Net Income before contributions and transfers	1,952,201	1,155,719	1,182,713	(42,867)	2,173,147
Capital contributions	603,582	2,853,752	4,039,237	5,266,050	17,169,455
Extraordinary Item:					
Net Pension Obligation Relief	281,345		119,824	139,806	325,771
Transfer In (Out) net	<u>-</u>	<u>(23,898)</u>	<u>-</u>	<u>-</u>	<u>(998,128)</u>
Change In Net Assets	2,837,128	3,985,573	5,341,774	5,362,989	18,670,245
Population of City and Borough					
	8,627	8,881	8,773	8,952	9,084
# of electric customers	5,257	5,278	5,282	5,309	5,403
KwH Sold	114,866,192	108,739,970	111,795,344	111,048,623	111,155,330
Revenue Bond Debt Service	4,106,690	4,108,407	3,477,959	3,467,567	4,529,240
Revenue Bond Coverage (> 1.25)	1.56	1.34	1.41	1.43	1.27

Note: \$1,440,000 transferred into Rate Stabilization Fund in FY2013

Note: Total of rate Stabilization Fund as of June 30, 2013 - \$2,151,000

**CITY AND BOROUGH OF SITKA
HARBOR ENTERPRISE FUND
FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Plant In-Service (net of depreciation)	16,108,572	15,465,195	14,789,299	14,122,591	13,550,231
Land	90,000	90,000	90,000	90,000	90,000
Construction Work in Progress	93	317	20,229	57,838	665,476
Cash	1,966,593	3,014,067	3,733,467	4,735,101	6,599,187
Restricted Assets	-	-	-	-	3,615,663
Other Assets	1,217,388	987,099	1,342,572	1,339,389	1,216,385
Total Assets	19,382,646	19,556,678	19,975,567	20,344,919	25,736,942
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	0	0	0	0	4,569,486
Other Liabilities	1,701,930	1,500,637	1,405,227	1,156,003	1,144,138
Total Liabilities	1,701,930	1,500,637	1,405,227	1,156,003	5,713,624
NET ASSETS	17,680,716	18,056,041	18,570,340	19,188,916	20,023,318
Operating Revenues	2,630,220	3,040,330	2,854,858	3,154,885	3,096,419
Operation and Maintenance	2,396,922	2,133,877	2,492,110	2,434,329	1,708,210
Administrative and General	-	-	-	-	-
Depreciation	1,048,281	799,254	899,956	986,619	668,511
Operating Income (Loss)	(814,983)	107,199	(537,208)	(266,063)	719,698
Non-Operating Revenue (Expense)	422,169	(183,181)	46,509	155,306	156,844
Net Income (Loss) Before Contribution	(392,814)	(75,982)	(490,699)	(110,757)	876,542
Capital Contributions	317,339	242,186	1,690,873	2,549,949	0
Net Transfers-In (Out)	3,250,000	400,000	3,804,600	675,000	(42,141)
Special item - NPO/OPEB write off	338,771	-	-	-	-
Change in Net Assets	3,513,296	566,204	5,004,774	3,114,192	834,401
Population of City	8,627	8,881	8,773	8,952	9,084
Revenue Bond Coverage	No Harbor Bonds	No Harbor Bonds	No Harbor Bonds	No Harbor Bonds	No payments of P&I

**CITY AND BOROUGH OF JUNEAU
FINANCIAL SUMMARY
General Governmental Fund**

Municipal Financial Position	2009	2010	2011	2012	2013	Average
Property Tax Collections						
Borrower's Property Tax Rate per \$1,000	\$10.37	\$10.60	\$10.51	\$10.55	\$10.55	\$10.52
Municipal Levy	\$40,446,577	\$41,048,853	\$40,739,944	\$41,751,673	\$44,252,019	\$41,647,813
Current Year's Collections	\$40,159,018	\$40,691,450	\$40,329,083	\$41,431,682	\$43,987,108	\$41,319,668
Current Collection Rate	99.29%	99.13%	98.99%	99.23%	99.40%	99.21%
Total Year's Collections	\$40,159,018	\$40,691,450	\$40,329,083	\$41,431,682	\$43,987,108	\$41,319,668
Total Collection Rate	99.29%	99.13%	98.99%	99.23%	99.40%	99.21%
General Fund						
Unassigned Plus Emergency Operating Res (GASB#54)	\$ 5,479,594	\$ 5,714,731	\$ 1,729,385	\$ 3,438,792	\$ 4,374,670	\$ 4,147,434
Expenditures	\$ 48,556,036	\$ 49,158,125	\$ 50,540,314	\$ 51,283,781	\$ 50,497,977	\$ 50,007,247
Fund Balance/Expenditures	11.29%	11.63%	3.42%	6.71%	8.66%	8.34%
Total Revenues	\$ 67,503,826	\$ 66,541,842	\$ 66,008,466	\$ 50,055,357	\$ 52,089,033	\$ 60,439,705
Intergovernmental Revenues	\$ 14,141,624	\$ 12,389,683	\$ 14,313,000	\$ 15,464,700	\$ 15,281,700	\$ 14,318,141
Percentage Intergovernmental	21%	19%	22%	31%	29%	24.30%
Overall Municipal Debt Position						
Revenue Debt - Enterprise Funds	\$ 47,552,969	\$ 46,370,845	\$ 45,208,341	\$ 43,679,682	\$ 41,906,067	
Revenue Debt - Governmental Funds	\$ 2,888,891	\$ 2,718,662	\$ 3,599,575	\$ 2,861,747	\$ 2,091,457	
General Obligation Debt - Governmental Funds	\$ 142,543,000	\$ 156,356,000	\$ 148,301,000	\$ 133,446,000	\$ 131,385,000	
General Obligation Debt - Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	
Total General Obligation Debt	\$ 142,543,000	\$ 156,356,000	\$ 148,301,000	\$ 133,446,000	\$ 131,385,000	
Total Revenue and General Obligation Debt	\$ 192,984,860	\$ 205,445,507	\$ 197,108,916	\$ 179,987,429	\$ 175,382,524	
Governmental GO Debt/Taxable Assessed Value	3.60%	3.98%	3.72%	3.28%	3.07%	
Total Revenue and GO Debt/A.V.	4.87%	5.22%	4.94%	4.42%	4.10%	
General Obligation Debt Per Capita	\$4,641	\$4,999	\$4,742	\$4,133	\$4,069	
Total Revenue and GO Debt Per Capita	\$6,284	\$6,569	\$6,302	\$5,574	\$5,431	
General Economic and Demographic Data						
	2009	2010	2011	2012	2013	Annual
Population	30,711	31,275	31,275	32,290	32,290	3.25%
Taxable Assessed Value	\$ 3,964,306,237	\$ 3,933,364,442	\$ 3,989,344,944	\$ 4,071,713,732	\$ 4,275,067,217	7.16%
Assessed Value Per Capita	\$ 129,084	\$ 125,767	\$ 127,557	\$ 126,098	\$ 132,396	
Top 10 Tax Payers as a % of Assessed Value	9.60%	10.52%	13.78%	13.73%	13.82%	

**CITY AND BOROUGH OF JUNEAU
HARBOR ENTERPRISE FUND
FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Plant In-Service (net of depreciation)	\$13,081,747	\$11,923,364	\$13,827,335	\$12,844,129	\$11,875,368
Construction Work in Progress	27,841,706	29,935,711	29,889,294	33,499,769	42,397,974
Cash	3,299,922	4,470,053	4,728,522	4,660,755	3,466,374
Restricted Assets	9,929,753	7,588,584	10,702,703	11,196,479	10,946,328
Other Assets	1,178,214	866,059	764,741	847,869	543,407
Total Assets	55,331,342	54,783,771	59,912,595	63,049,001	69,229,451
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	10,210,000	9,960,000	9,700,000	9,691,595	9,380,434
Other Liabilities	2,590,015	1,726,240	2,110,290	2,140,909	1,401,365
Total Liabilities	12,800,015	11,686,240	11,810,290	11,832,504	10,781,799
NET ASSETS	42,531,327	43,097,531	48,102,305	51,216,497	58,447,652
Operating Revenues	2,630,220	3,040,330	2,854,858	3,154,885	3,173,272
Operation and Maintenance	2,396,922	2,133,877	2,492,110	2,434,329	2,498,178
Administrative and General	-	-	-	-	-
Depreciation	1,048,281	799,254	899,956	986,619	968,761
Operating Income (Loss)	(814,983)	107,199	(537,208)	(266,063)	(293,667)
Non-Operating Revenue (Expense)	422,169	(183,181)	46,509	155,306	(214,686)
Net Income (Loss) Before Contribution	(392,814)	(75,982)	(490,699)	(110,757)	(508,353)
Capital Contributions	317,339	242,186	1,690,873	2,549,949	7,392,466
Net Transfers-In (Out)	3,250,000	400,000	3,804,600	675,000	500,000
Special item - NPO/OPEB write off	338,771	-	-	-	-
Change in Net Assets	3,513,296	566,204	5,004,774	3,114,192	7,384,113
Population of City	30,711	31,275	31,275	32,290	32,290
Revenue Bond Coverage	1.67	2.19	1.19	1.79	1.21

**CITY AND BOROUGH OF JUNEAU
PORT DEVELOPMENT SPECIAL REVENUE FUND
FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Plant In-Service (net of depreciation)					
Construction Work in Progress					
Cash	2,408,558	3,414,679	4,428,233	(208,085)	(252,013)
Restricted Assets					-
Other Assets	177,056	273,317	314,814	269,712	484,639
Total Assets	2,585,614	3,687,996	4,743,047	61,627	232,626
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	-	-	-	-	-
Other Liabilities	-	-	-	-	151,020
Total Liabilities	-	-	-	-	151,020
NET ASSETS	2,585,614	3,687,996	4,743,047	61,627	81,606
Operating Revenues	3,033,882	2,856,882	2,557,851	2,634,080	2,825,479
Operation and Maintenance	4,500	4,500	2,800	5,500	5,500
Administrative and General	-	-	-	-	-
Depreciation	-	-	-	-	-
Operating Income (Loss)	3,029,382	2,852,382	2,555,051	2,628,580	2,819,979
Non-Operating Revenue (Expense)	-	-	-	-	-
Net Income (Loss) Before Contribution	3,029,382	2,852,382	2,555,051	2,628,580	2,819,979
Capital Contributions	-	-	-	-	-
Net Transfers-In (Out)	(1,750,000)	(1,750,000)	(1,500,000)	(7,310,000)	(2,800,000)
Change in Net Assets	1,279,382	1,102,382	1,055,051	(4,681,420)	19,979
Population of City	30,711	31,275	31,275	32,290	32,290
Revenue Bond Coverage	N/A	N/A	N/A	N/A	N/A

Note: From 2009 - 2013 the Transfers Out were to Dock/Port capital projects. Starting in 2014 the Transfer Out will be to the Debt service fund sufficient to cover the Cruise Berth Expansion Revenue bonds issued through the Bond Bank.

**City and Borough of Juneau
Conduit Debt
WILDFLOWER COURT (A not for profit organization)
FINANCIAL SUMMARY**

	2009	2010	2011	2012	2013
	Audited	Audited	Audited	Audited	Audited
ASSETS					
Plant In-Service	6,520,271	5,674,338	4,909,305	4,620,999	4,734,678
Cash	1,500,220	1,255,867	1,582,128	1,752,043	1,437,085
Restricted Assets	1,760,358	1,735,178	1,707,402	2,170,928	1,489,365
Other Assets	1,142,642	1,312,915	1,399,517	1,444,749	1,786,787
Total Assets	10,923,491	9,978,298	9,598,352	9,988,719	9,447,915
LIABILITIES AND NET ASSETS					
Bond Debt	14,250,000	13,650,000	13,050,000	11,705,000	11,596,229
Other Liabilities	872,825	878,190	904,428	2,052,663	1,132,323
Total Liabilities	15,122,825	14,528,190	13,954,428	13,757,663	12,728,552
NET ASSETS (DEFICIT)	(4,199,334)	(4,549,892)	(4,356,076)	(3,768,944)	3,280,637
Operating Revenues	10,290,008	10,361,609	10,859,195	10,841,324	11,057,791
Operating Expenses	9,302,040	9,802,944	9,894,353	9,594,317	9,666,530
Depreciation	951,871	937,147	832,579	780,765	935,669
Operating Income (Loss)	36,097	(378,482)	132,263	466,243	455,592
Non-Operating Revenue (Expense)	47,465	27,924	61,553	120,890	32,713
Change in Net Assets	83,562	(350,558)	193,816	587,132	488,305
Revenue Bond Coverage	1.27	1.01	1.33	1.32	1.12

The Bond Bank has received notification from senior management of Wildflower Court that for calendar year 2013 Wildflower Court fell short of the required debt service coverage ratio of 1.15 times. Per section 5.1(b) of the loan agreement between the City and Borough of Juneau and Wildflower Court, a written report is being prepared to identify measures to return the facility to compliance with the debt service coverage requirement of the loan agreement.

**CITY AND BOROUGH OF JUNEAU
BARTLETT REGIONAL HOSPITAL
FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Plant In-Service (net of depreciation)	\$71,272,745	\$74,736,663	\$72,772,410	\$74,566,327	\$74,002,798
Construction Work in Progress	8,224,160	3,126,611	6,866,781	6,202,224	2,826,314
Cash	16,297,926	18,036,202	14,990,308	17,386,169	26,113,833
Restricted Assets	5,462,944	8,555,051	10,160,114	6,549,498	5,490,768
Other Assets	17,751,193	20,549,937	23,011,263	23,462,113	25,230,206
Total Assets	119,008,968	125,004,464	127,800,876	128,166,331	133,663,919
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	26,740,000	26,165,000	25,570,000	24,926,795	25,304,679
Other Liabilities	10,484,387	11,066,147	11,391,053	8,999,867	8,829,067
Total Liabilities	37,224,387	37,231,147	36,961,053	33,926,662	34,133,746
NET ASSETS	81,784,581	87,773,317	90,839,823	94,239,669	99,530,173
Operating Revenues	76,333,369	82,640,681	90,680,836	95,026,373	84,250,207
Operation and Maintenance	66,831,133	72,975,632	83,883,389	89,411,913	76,967,444
Administrative and General	-	-	-	-	-
Depreciation	5,474,872	6,270,565	6,552,177	7,145,290	7,001,295
Operating Income (Loss)	4,027,364	3,394,484	245,270	(1,530,830)	281,468
Non-Operating Revenue (Expense)	243,415	911,555	1,579,634	3,306,366	4,119,820
Net Income (Loss) Before Contribution	4,270,779	4,306,039	1,824,904	1,775,536	4,401,288
Capital Contributions	870,700	536,697	89,002	471,910	134,658
Net Transfers-In (Out)	1,103,000	1,146,000	1,152,600	1,152,400	1,123,000
Special item - NPO/OPEB write off	1,006,456				
Change in Net Assets	7,250,935	5,988,736	3,066,506	3,399,846	5,658,946
Population of City	30,711	31,275	31,275	32,290	32,290
Revenue Bond Coverage	5.07	5.15	3.63	3.00	4.33

**CITY OF KETCHIKAN
GENERAL OBLIGATION FINANCIAL SUMMARY**

Municipal Financial Position	2009	2010	2011	2012	2013	Average
Property Tax Collections						
Borrower's Property Tax Rate per \$1,000	\$6.10	\$6.10	\$6.20	\$6.20	\$6.70	\$6.26
Municipal Levy	\$4,868,459	\$4,885,779	\$4,621,143	\$4,648,128	\$5,344,326	\$4,873,567.00
Current Year's Collections	\$4,794,074	\$4,689,396	\$4,565,367	\$4,590,563	\$5,276,616	\$4,783,203.20
Current Collection Rate	98.47%	95.98%	98.79%	98.76%	98.73%	98.15%
Total Year's Collections	\$4,844,090	\$4,689,396	\$4,565,367	\$4,590,563	\$5,276,616	\$4,793,206.40
Total Collection Rate	99.50%	95.98%	98.79%	98.76%	98.73%	98.35%
General Fund						
Unreserved Ending Fund Balance	\$ 4,649,409	\$ 5,101,448	\$ 5,295,406	\$ 4,285,383	\$ 4,074,588	\$4,681,247
Expenditures	\$ 18,084,246	\$ 17,159,791	\$ 18,527,140	\$ 19,657,738	\$ 19,509,987	\$18,587,780
Fund Balance/Expenditures	26%	30%	29%	22%	21%	25%
Total Revenues	\$ 14,019,651	\$ 13,886,302	\$ 15,007,571	\$ 14,949,242	\$ 15,646,387	\$14,701,831
Intergovernmental Revenues	\$ 1,348,409	\$ 1,233,173	\$ 1,820,575	\$ 1,644,256	\$ 1,695,138	\$1,548,310
Percentage Intergovernmental	10%	9%	12%	11%	11%	10%
Overall Municipal Debt Position						
Revenue Debt - Enterprise Funds	\$ 57,411,354	\$ 56,995,549	\$ 54,828,636	\$ 52,028,061	\$ 64,183,054	
Revenue Debt - Governmental Funds	\$ -	\$ -	\$ -			
General Obligation Debt - Governmental Funds	\$ 5,682,565	\$ 12,280,863	\$ 11,452,328	\$ 15,726,032	\$ 14,535,682	
General Obligation Debt - Enterprise Funds	\$ 1,935,458	\$ 4,942,967	\$ 5,100,222	\$ 5,006,445	\$ 2,763,776	
Total General Obligation Debt	\$ 7,618,023	\$ 17,223,830	\$ 16,552,550	\$ 20,732,477	\$ 17,299,458	
Total Revenue and General Obligation Debt	\$ 65,029,377	\$ 74,219,379	\$ 71,381,186	\$ 72,760,538	\$ 81,482,512	
Governmental GO Debt/Assessed Value (mry)	0.71%	1.53%	1.43%	1.95%	1.70%	
Enterprise GO Debt / Assessed Value (mry)	0.24%	0.62%	0.64%	0.62%	0.32%	
Total General Obligation Debt/A.V. (mry)	0.95%	2.15%	2.07%	2.56%	2.02%	
Total Revenue and GO Debt/A.V. (mry)	8.15%	9.27%	8.91%	9.00%	9.50%	
General Obligation Debt Per Capita	\$1,015	\$2,140	\$2,033	\$2,501	\$2,081	
Total Revenue and GO Debt Per Capita	\$8,667	\$9,220	\$8,767	\$8,776	\$9,802	
General Economic and Demographic Data						
	2009	2010	2011	2012	2013	Annual Growth Rate
Population	7,503	8,050	8,142	8,291	8,313	0.27%
Assessed Value	\$ 798,108,100	\$ 800,947,400	\$ 801,175,000	\$ 808,516,900	\$ 857,398,200	6.05%
Assessed Value Per Capita	\$ 106,372	\$ 99,497	\$ 98,400	\$ 97,517	\$ 103,139	
Top 10 Tax Payers as a % of Total Assessed Value	8.73%	10.57%	10.39%	10.42%	11.92%	

(mry): most recent year

**CITY OF KETCHIKAN
KETCHIKAN PUBLIC UTILITIES ENTERPRISE FUND
FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Utility Plan In-Service	\$69,718,266	\$67,177,925	\$69,018,328	\$83,919,407	\$83,919,407
Construction Work in Progress	8,017,706	14,788,563	17,131,918	8,123,495	8,123,495
Cash	13,958,674	12,566,005	13,845,368	16,767,889	16,767,889
Restricted Assets	4,062,167	3,050,592	2,963,566	2,695,085	2,695,085
Other Assets	8,686,219	12,118,366	11,991,790	6,159,953	6,159,953
Total Assets	104,443,032	109,701,451	114,950,970	117,665,829	117,665,829
LIABILITIES AND NET ASSETS					
Revenue Bonds Payable	19,902,223	20,233,232	18,884,282	16,602,060	16,602,060
Other Liabilities	4,045,215	3,983,215	4,847,079	5,443,636	5,443,636
Total Liabilities	23,947,438	24,216,447	23,731,361	22,045,696	22,045,696
NET ASSETS	80,495,594	85,485,004	91,219,609	95,620,133	95,620,133
Operating Revenues	33,310,537	32,975,154	34,172,941	34,802,748	34,802,748
Operation and Maintenance	20,861,336	19,060,639	19,997,855	21,992,642	21,992,642
Administrative and General	6,034,476	5,603,405	6,097,427	5,408,961	5,408,961
Depreciation	6,086,514	5,932,099	5,892,449	6,872,767	6,872,767
Payment in Lieu of Taxes					
Operating Income (Loss)	328,211	2,379,011	2,185,210	528,378	528,378
Non-Operating Revenue (Expense)	(402,557)	(479,652)	(363,607)	(416,621)	(416,621)
Net Income (Loss) Before Contribution	(74,346)	1,899,359	1,821,603	111,757	111,757
Contributions	2,085,231	3,818,051	4,641,002	5,016,767	5,016,767
Special Item					
Transfer of Net Assets - Swan Lake -Lake Tyee Intertie Project					
Transfer - Payment In Lieu of Taxes **	(675,000)	(728,000)	(728,000)	(728,000)	(728,000)
Change in Net Assets	1,335,885	4,989,410	5,734,605	4,400,524	4,400,524
Population of Service Area	12,984	13,477	12,984	13,477	13,477
Population of City	7,503	8,050	7,503	8,050	8,050
# of Electric Customers	7,365	7,418	7,365	7,418	7,418
# of Telephone Access Lines	7,467	6,994	7,467	6,994	6,994
# of Water Customers	3,217	3,207	3,217	3,207	3,207
Revenue Bond Coverage	2.30	2.80	2.30	2.80	2.80

* Water is only provided within the City

** Change in accounting standards payment in lieu of tax must be reported as a transfer

**CITY OF KETCHIKAN
PORT FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2012 Restated	2013 Audited
ASSETS						
Cash	\$4,827,125	\$4,364,226	\$2,373,808	\$2,285,517	\$2,285,517	2,900,167
Port Facilities (net)	44,947,620	43,642,947	42,020,640	47,766,776	47,766,776	53,490,542
Construction Work in Progress	963,018	1,116,782	5,531,746	5,066,048	5,066,048	5,449,151
Restricted Assets	4,819,708	5,307,521	5,623,924	6,082,097	6,082,097	6,595,730
Other Assets	1,730,443	1,281,312	3,670,192	4,518,553	4,236,551	4,140,133
Total Assets	57,287,914	55,712,788	59,220,310	65,718,991	65,436,989	72,575,723
LIABILITIES AND NET ASSETS						
General Obligation Bonds Payable	1,035,000	795,000	540,000	270,000	270,000	0
Revenue Bonds Payable	36,540,000	35,830,000	35,090,000	34,315,000	34,315,000	33,505,000
Other Liabilities	3,147,957	3,134,814	2,847,180	1,072,313	1,072,313	1,699,380
Total Liabilities	40,722,957	39,759,814	38,477,180	35,657,313	35,657,313	35,204,380
NET ASSETS	16,564,957	15,952,974	20,743,130	30,061,678	29,779,676	37,371,343
Operating Revenues	8,922,228	8,000,492	7,986,404	8,592,255	8,592,255	9,145,920
Operation and Maintenance	5,368,009	5,319,252	3,957,909	3,884,156	3,888,525	4,416,473
Depreciation	1,460,265	1,446,527	1,401,754	1,359,513	1,359,513	1,636,863
Property Taxes	154,041	167,219	152,762	142,575	142,575	165,627
Payment in Lieu of Taxes **						
Operating Income (Loss)	1,939,913	1,067,494	2,473,979	3,206,011	3,201,642	2,926,957
Non-Operating Revenue (Expense)	(1,718,248)	(1,903,421)	(2,043,804)	201,299	223,562	(912,634)
Net Income (Loss) Before Contribution	221,665	(835,927)	430,175	3,407,310	3,425,204	2,014,323
Contributions and Capital Grants	905,943	518,944	4,654,981	6,214,416	6,214,416	8,676,543
Extraordinary Item						
Special Item	-	-	-	-	-	-
Transfers	-	-	-	(8,178)	(8,178)	(80,199)
Transfer - Payment in Lieu of Taxes **	(290,000)	(295,000)	(295,000)	(295,000)	(295,000)	(319,000)
Change in Net Assets	837,608	(611,983)	4,790,156	9,318,548	9,336,442	10,291,667
1.25 x Annual Debt Service	2.45	2.00	2.24	3.36	3.36	3.00
1.0 x Annual Debt Service/Reserves Account/Repair and Replacement Fund/SPH Lease Payments	1.13	0.99	1.16	1.67	1.67	1.41
* Unaudited						
# of Ships	36	26	28	34	34	38
# of Calls/Stops	496	429	426	467	462	453
# of Water Passengers	937,419	828,929	830,547	885,799	885,799	938,124

* Reflects statistical information provided by the Ketchikan Visitors Bureau

** Beginning in 2005, change in accounting standards required payment in lieu of taxes to be reported as transfers.

**Kodiak Island Borough
FINANCIAL SUMMARY
General Governmental Fund**

Municipal Financial Position	2009	2010	2011	2012	2013	Average
Property Tax Collections - area-wide						
Borrower's Property Tax Rate per \$1,000	\$10.50	\$10.50	\$10.50	\$10.75	\$10.75	\$10.60
Municipal Levy	\$10,231,461	\$10,879,276	\$11,536,758	\$13,255,665	\$13,581,524	\$11,896,937
Current Year's Collections	\$10,201,209	\$10,487,467	\$11,499,457	\$13,038,077	\$13,477,005	\$11,740,643
Current Collection Rate	99.70%	96.40%	99.68%	98.36%	99.40%	98.71%
Total Year's Collections	\$10,226,100	\$10,870,787	\$11,540,473	\$13,191,303	\$13,477,005	\$11,861,134
Total Collection Rate	99.95%	99.92%	100.03%	99.51%	99.23%	99.73%
General Fund						
Unassigned Plus Emergency Operating Res (GASB#54)	\$ 3,124,289	\$ 1,952,757	\$ 3,126,037	\$ 3,438,792	\$ 3,340,662	\$ 2,996,507
Expenditures	\$ 14,533,955	\$ 14,893,366	\$ 15,514,460	\$ 5,339,372	\$ 6,022,413	\$ 11,260,713
Fund Balance/Expenditures	21.50%	13.11%	20.15%	64.40%	55.47%	34.93%
Total Revenues	\$ 15,816,251	\$ 15,630,927	\$ 16,642,842	\$ 7,080,462	\$ 6,950,002	\$ 12,424,097
Intergovernmental Revenues	\$ 4,461,624	\$ 4,123,507	\$ 3,642,009	\$ 4,425,447	\$ 4,787,308	\$ 4,287,979
Percentage Intergovernmental	28%	26%	22%	63%	69%	41.57%
Overall Municipal Debt Position						
Revenue Debt - Enterprise Funds	\$ 1,864,503	\$ 1,989,995	\$ 2,735,778	\$ 7,603,249	\$ 36,104,676	
Revenue Debt - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	
General Obligation Debt - Governmental Funds	\$ 32,534,424	\$ 29,838,432	\$ 35,124,211	\$ 33,510,913	\$ 55,236,114	
General Obligation Debt - Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	
Total General Obligation Debt	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenue and General Obligation Debt	\$ 34,398,927	\$ 31,828,427	\$ 37,859,989	\$ 41,114,162	\$ 91,340,790	
Governmental GO Debt/Taxable Assessed Value	3.74%	3.27%	3.55%	3.24%	5.03%	
Total Revenue and GO Debt/A.V.						
General Obligation Debt Per Capita	\$2,347	\$2,194	\$2,532	\$2,401	\$3,996	
Total Revenue and GO Debt Per Capita						
General Economic and Demographic Data						
Population	13,860	13,592	13,870	14,041	13,824	-0.33%
Taxable Assessed Value	\$ 870,472,985	\$ 913,014,985	\$ 988,879,125	\$ 1,039,223,833	\$ 1,085,968,280	9.82%
Assessed Value Per Capita	\$ 62,805	\$ 67,173	\$ 71,296	\$ 74,014	\$ 78,557	
Top 10 Tax Payers as a % of Assessed Value	10.20%	10.60%	10.60%	10.30%	11.60%	

**Kodiak Island Borough
Municipal Solid Waste and Disposal
FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Current Assets	\$6,156,829	\$6,954,692	\$7,442,711	\$10,071,828	\$12,855,993
Capital Assets (net of depreciation)	5,603,019	5,474,186	6,204,668	8,933,653	13,848,633
Total Assets	11,759,848	12,428,878	13,647,379	19,005,481	26,704,626
LIABILITIES AND NET ASSETS					
Current Liabilities	876,909	847,985	668,919	990,438	3,414,884
Non-Current Liabilities	6,254,867	6,747,622	7,868,121	12,746,194	12,475,974
Total Liabilities	7,131,776	7,595,607	8,537,040	13,736,632	15,890,858
Total Net Assets	4,628,072	4,833,271	5,110,339	5,268,849	10,813,768
Operating Revenues	3,603,995	4,325,274	2,383,275	2,301,757	2,515,743
Operating expenses	3,649,291	4,012,660	1,727,395	1,988,207	1,984,221
depreciation	270,153	270,488	280,516	289,927	293,913
Operating Income (Loss)	(315,449)	42,126	375,364	23,623	237,609
Non-Operating Revenue (Expense)	245,937	149,573	(111,796)	121,387	5,188,072
Net Income (Loss) Before Contribution	(69,512)	191,699	263,568	145,010	5,425,681
Capital Contributions	0	0	0	0	0
Net Transfers-In (Out)	6,450	13,500	13,500	13,500	13,500
Extraordinary item	336,458				
Change in Net Position	273,396	205,199	277,068	158,510	5,439,181
Population of Borough	13,860	13,592	13,870	14,041	13,824
Revenue Bond Coverage*	N/A	N/A	N/A	4.64	1.78

* The Borough began paying debt service on it's landfill debt in fiscal year 2013.

**Kodiak Island Borough
Revenue Bond
Long Term Care Center - Hospital Enterprise Fund
FINANCIAL SUMMARY**

	2009 Audited	2010 Audited	2011 Audited	2012 Audited	2013 Audited
ASSETS					
Plant In-Service	\$21,732,791	\$21,193,181	\$20,354,693	\$19,667,905	\$23,636,671
Cash	12,466	807,424	1,494,282	2,091,394	18,036,366
Other Assets	394,946	398,207	279,587	366,593	587,276
Total Assets	22,140,203	22,398,812	22,128,562	22,125,892	42,260,313
LIABILITIES AND NET ASSETS					
Bond Debt	0	0	0	0	18,817,320
Other Liabilities	1,916,462	1,258,899	1,214,261	1,241,744	2,057,283
Total Liabilities	1,916,462	1,258,899	1,214,261	1,241,744	20,874,603
NET ASSETS (DEFICIT)	20,223,741	21,139,913	20,914,301	20,884,148	21,385,710
Operating Revenues	720,000	720,000	720,000	780,000	720,000
Operating Expenses	6,228	5,045	5,000	12,130	10,000
Depreciation	929,555	872,858	868,240	853,229	845,191
Operating Income (Loss)	(215,783)	(157,903)	(153,240)	(85,359)	(135,191)
Non-Operating Revenue (Expense)	3,465,536	1,074,075	(72,372)	55,206	636,753
Change in Net Assets	3,249,753	916,172	(225,612)	(30,153)	501,562
Revenue Bond Coverage*	N/A	N/A	N/A	N/A	N/A

* The Borough will not begin paying debt service on its long-term care facility debt until fiscal year 2014. Debt service on the long-term care facility will be paid from lease payments from Providence Kodiak Island Medical Center. Those lease payments will be increased in 2014 and beyond to reflect debt service on the long-term care facility.

APPENDIX E

Financial Statements of the
Alaska Municipal Bond Bank
for the Year Ended June 30, 2014

APPENDIX F

2005 General Obligation Bond Resolution

APPENDIX G

DTC and Book-Entry System

DTC AND BOOK-ENTRY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2015 Series One Bonds. The 2015 Series One Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2015 Series One Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating from Standard & Poor's of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of 2015 Series One Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 Series One Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015 Series One Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015 Series One Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2015 Series One Bonds, except in the event that use of the book-entry system for the 2015 Series One Bonds is discontinued.

4. To facilitate subsequent transfers, all 2015 Series One Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015 Series One Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015 Series One Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 Series One Bonds are credited,

which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2015 Series One Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 Series One Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Series One Bond documents. For example, Beneficial Owners of 2015 Series One Bonds may wish to ascertain that the nominee holding the 2015 Series One Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the 2015 Series One Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2015 Series One Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2015 Series One Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Payments on the 2015 Series One Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Bank or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the 2015 Series One Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2015 Series One Bond certificates are required to be printed and delivered.

10. The Bond Bank may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2015 Series One Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no responsibility for the accuracy thereof.



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Juneau, Alaska 99811-0405

Tel (907) 465-2388
FAX (907) 465-2902
E-mail: ambba@revenue.state.ak.us

TO: AMBBA Board Members
Mark Pfeffer, Pam Leary, Luke Welles,
Gregory Gurse, Michael Lamb

DATE: January 27, 2015

FROM: Deven Mitchell, Executive Director **TELEPHONE:** 465-3750

Following are updates on items not covered in the February 3, 2014 Agenda:

Yukon Kuskokwim Health Consortium – Based on the Board's approval on November 19 the attached letter of support was sent to Dan Winkelman, CEO of the Yukon Kuskokwim Health Consortium (YKHC) and the push to build a new \$250 million hospital in Bethel. In January Mr. Winkelman let me know that their project had scored #1 in the Indian Health Service Joint Venture Construction Program, and that They were going to be working with Senator Hoffman's office on legislation to expand Bond Bank's powers.

MCDC Filing - On November 21 we submitted the attached material event notice in accordance with the direction provided at the last board meeting. All required filings for the current filing period have been made.

Quarterly Ethics Filing – On January 13 I filed the quarterly ethics report as required.



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Juneau, Alaska 99811-0405

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FAX (907) 465-2902
E-mail: ambba@revenue.state.ak.us

November 21, 2014

Mr. Dan Winkelman
President & CEO
Yukon Kuskokwim Health Corporation
PO Box 528
Bethel, AK 99599

Dear Mr. Winkelman,

The Alaska Municipal Bond Bank Board of Directors (the Board) has approved this letter of interest in the proposed 2014 Indian Health Service (IHS) Joint Venture Construction Program (JVCP) project application of the Yukon Kuskokwim Health Consortium (YKHC).

We understand that under the JVCP YKHC will design and build a new primary care facility in addition to renovating the existing YK Delta Regional Hospital. Under the JVCP the IHS will agree to pay for a 20 year lease and staffing for the services supported by the project. We understand that the project is significant; entailing hiring approximately 200 permanent new staff positions and encompassing a construction budget of approximately \$250 million.

The Board has historically shown a strong interest in providing low cost financing alternatives for both the core program of the Bond Bank with municipalities, as well as for other entities as financing needs have arisen in our State's development. The JVCP appears to present an opportunity for additional innovation and new partnerships for the Bond Bank that the Board is supportive of analyzing further.

At this time the Bond Bank's controlling state statutes do not allow for participation in the proposed JVCP. While this presents a challenge, we have worked on statute modifications multiple times, most recently during the 2014 Legislative session. To the extent the Legislature and Governor are supportive of statutory amendment we are committed to working collaboratively to ensure those changes result in a successful, streamlined, low cost financing.

Please keep us informed of your JVCP application's progress and when you might be ready to initiate a financing. Please don't hesitate to contact our team with any further questions,

Sincerely,

A handwritten signature in blue ink, appearing to read "Deven Mitchell".

Deven Mitchell
Executive Director
Deven.mitchell@alaska.gov
(907) 465-3750



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December 19, 2014

Gordon Fung
Client Service Manager
BNY Mellon Trust Company, N.A.
100 Pine Street, Suite 3150
San Francisco, CA 94111

Dear Mr. Fung,

Please transfer the residual balance of the Bond Bank's account AMBBA REV BDS 2002A REV BD RESERVE-000425884 of approximately \$1.53 to the Bond Bank's 2005 Reserve Fund. Following this transfer please close account 000425884

Sincerely,

Deven Mitchell
Executive Director
Deven.mitchell@alaska.gov
(907) 465-3750