

	Approved	Denied
Action taken	4/8/02	
Other:		
Date of Council Action:	4/8/02	
Verified by:	K. Smith	

WASILLA CITY COUNCIL MEMORANDUM

CM No. 02-16

TITLE: Authorizing Birch, Horton, Bittner, and Cherot to Serve as Bond Counsel for Multipurpose Sports Complex General Obligation Bonds.

COUNCIL MEETING DATE: April 8, 2002

ADMINISTRATION INITIAL: *spati*

REQUESTED BY: Administration

PREPARED BY: J. Newman, Deputy Clerk

Date Prepared: March 26, 2002

FISCAL IMPACT:

If yes, amount requested: \$17,500 Account No.:

SUMMARY STATEMENT:

We are requesting that the council authorize Tom Klinkner of Birch, Horton, Bittner and Cherot to serve as bond counsel in connection with the issuance of General Obligation Bonds for the Multipurpose Sports Complex.

STAFF RECOMMENDED ACTION: Approve Birch, Horton, Bittner and Cherot to serve as bond counsel for the Multipurpose Sports Complex.

Attachments: Proposal from Birch, Horton, Bittner and Cherot dated March 14, 2002

LAW OFFICES

BIRCH, HORTON, BITTNER AND CHEROT

A PROFESSIONAL CORPORATION

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MAR 26 2002

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March 14, 2002

Mr. John Cramer
Deputy Administrator
City of Wasilla
290 East Herring Avenue
Wasilla, Alaska 99654

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MAR 15 2002

CITY OF WASILLA, ALASKA

Re: Proposed Issuance of \$14,700,000 City of Wasilla General Obligation Bonds for Multipurpose Sports Complex
Our File No. 505,780.18

Dear John:

The purpose of this letter is to set forth the role we propose to serve and responsibilities we propose to assume as bond counsel in connection with the issuance of the above-referenced bonds (the "Bonds") by the City of Wasilla (the "Issuer"). This letter replaces my letter of February 14, 2002 on the same subject, and reflects our telephone conversation of Monday, March 11, 2002.

Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds.

As bond counsel, we will: examine applicable law; prepare authorizing and operative documents; consult with the parties to the transaction prior to the issuance of the Bonds; review certified proceedings; and undertake such additional duties as we deem necessary to render the opinion.

Subject to the completion of proceedings to our satisfaction, we will render our opinion that:

(1) the Bonds are valid and binding general obligations of the Issuer;

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- (2) all taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds; and
- (3) the interest paid on the Bonds will be excluded from gross income for federal income tax purposes.

The opinion will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to this financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes.

In rendering the opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

In performing our services as bond counsel, our client will be the Issuer and we will represent its interest. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our representation of the Issuer does not alter our responsibility to render an objective opinion as bond counsel.

As bond counsel, we will not assume or undertake responsibility for the preparation of an Official Statement or any other disclosure document with respect to the Bonds, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. However, if a disclosure document will be adopted or approved by the Issuer, our responsibility will include the preparation or review of any description therein of: (1) Alaska and federal law pertinent to the validity of the Bonds and the tax treatment of interest paid thereon, (ii) the terms of the Bonds, and (iii) our opinion.

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing; (ii) the duties we will undertake pursuant to this letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we assume, we estimate that our fee as bond counsel will be \$17,500.00, inclusive of out-of-pocket expenses. Such fee may vary (i) if the principal amount of Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any

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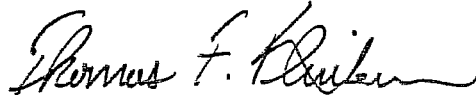
time, we believe that circumstances require an adjustment of our original fee estimate, we will consult with you.

Our fee is usually paid at the Closing out of Bond proceeds, and we customarily do not submit any statement until the Closing unless there is a substantial delay in completing the financing.

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the enclosed copy of this letter signed by an appropriate officer, retaining the original for your files. We look forward to working with you.

Yours truly,

BIRCH, HORTON, BITTNER and CHEROT



Thomas F. Klinkner

ACCEPTED AND APPROVED this _____ day of _____, 2002.

CITY OF WASILLA

By: _____
Sarah Palin, Mayor